THE FINANCIAL POST

The Canadian Newspaper for Investors

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THE MENACE OF CONFISCATORY LEGISLATION

East and West the Provincial Laws Show Dangerous Tendency

INDIVIDUAL RIGHTS

"The State Gave, the State Has Taken Away, Blessed Be the Name of the State," the Burial Service of Many Projects

By HUME CRONYN
President, Canadian Mortgage and Investments Association*

In 1914, as you all remember, the Dominion Government felt it necessary to contribute very largely to the assistance of those farmers in the West, whose existence had been threatened by a season of extreme drought. An enormous sum was distributed with a lavish hand, not only for seed grain and fodder, but as well for the purchase of necessaries, and in some cases the comforts of life.

Now, we may approve the advance of these great sums—the need was great, the period was critical — we may even agree with the Minister of the Interior when a few days ago he remarked in the House of Commons that should it eventually become clear that the Dominion must lose several millions, the loss will have been justified because the action of the Government, ably backed by a kindly providence, resulted in wellnigh a hundred fold return in the way of much needed foodstuffs.

Paternalism Criticized

We do, however, seriously question the fairness of a measure which under the guise of benevolent paternalism, deliberately deprived a large body of investors in Canada of their undoubted rights. That the Dominion Government should make advances was an easily defensible proposal, but that the greater part of these advances should be secured by over-riding the laws of the land is quite another matter. Nor is it a sufficient defence, even were such defence well founded, to point out that the action resulted in no serious loss to those who were thus wronged. The harm was done when the highest authority in the land, under the plea of dire necessity, set to one side a multitude of legal contracts.

As is pointed out in the report the Governments, both of the Dominion, of Canada and the provinces interested, have taken a changed and wider attitude in this regard with the result that the farmer will be enabled to secure the seed grain he may require, the moneys advanced for the purpose will be reasonably secure, and no constitutional right or remedy will be prejudiced.

Curtailing Private Rights

It is not alone on the subject of seed grain that our rulers have departed from sound lines of constitutional Government. Several of the Provincial Parliaments have sanctioned laws and practices, which are arbitrary and unfair. Our own province has been a sad offender in this respect, as it has legislated against the right of a citizen to submit his grievances to the courts of the land. Had any monarch in earlier times denied this right to his humblest subjects every courageous Hampden would have declaimed against the outrage, yet we in these days of democracy and majority rule, let such conduct pass almost without protest.

It seems to me we are expected to adopt the text from the burial service and over the grave of our dearest projects bow our heads and resignedly utter the words, "The State gave; the State has taken away; Blessed be the name of the State."

On the outlook for the future, nothing definite can be predicated. It is to be hoped the moratoria in force in many of the provinces will be allowed to lapse, and that on the resumption of normal conditions the extraordinary provisions found necessary during the war for the protection of the soldier will be modified.

Farm Loans Association

The Provinces of Manitoba and Saskatchewan are still maintaining their farm loan associations, largely at the expense of the general tax-

Continued on page 8

BANK OF VANCOUVER

Shareholders Must Make Back Payments on Stock

By Special Representative

VANCOUVER.—Through a decision of Chief Justice Hunter of the British Columbia Supreme Court, shareholders of the defunct Bank of Vancouver, in which the famed Alvo von Alvensleben was interested in its early history, are to be called upon to pay their back payments on account of stock. The full amount due on calls amounts to $800,487, but it is anticipated that only about thirty per cent. of this amount can be collected without delay in legal action. It is stated that a considerable number of stockholders claim relief under the War Relief Act, the justice of whose claims will be decided later.

WHERE CAPITAL TO COME FROM? --ADAM SHORTT

Money and Labor Required to Increase the Production

AS TO ORGANIZATION

Capital and Big Business Are Largely Responsible For Supplying the Varied Wants of the People

By PROF. ADAM SHORTT*

Although the great war may be practically over, yet we shall not escape from its far-reaching influences for a good many years. It has dislocated many popular conceptions of life in more spheres than one. In no sphere perhaps so radically as in the economic region, so fundamental to all others. Ideas that have been taken for granted for decades must now be closely inquired into. Some conceptions presenting an apparently solid front, backed by much substance, are found to have nearly lost their content, while others little regarded hitherto are found to have become pivotal factors. This has produced a tendency to question all standard conceptions, and especially those which seem to bar the way to more favorable economic conditions for numerous elements in the state.

Many new theories are advanced, the object of which is not so much to clarify existing conditions as to prove to those not very critical of arguments, provided they harmonize with their desires, that what is desirable is what ought to be, and what ought to be is what can be, and what can be should be immediately realized. For instance, it is desirable that the general body of the people may have more income; therefore the people ought to have more income. Resolved, accordingly, that the people demand more income from the various sources whence it now comes. Carried unanimously, and steps considered to enforce this conclusion. So far as income means money there is no insuperable difficulty here. So long as the suspension of specie payment continues, all that is necessary is to still further increase the inflation of credit and the necessary money may be forthcoming. In reality, however, it is not more money that is wanted but more of the things which money can buy.

Where Will Capital Come From?

The real question, therefore, is: What is necessary to increase the quantity of goods in proportion to the amount demanded by unanimous popular resolution? Incidentally to this is the further question: Where is the capital to come from to provide the factories, machinery, raw materials, etc., and who will furnish the extra labor required for the increased production? These are problems which are not very cogently grappled with among the new theories which are current, and which constitute important factors in popular propaganda.

It was pointed out that the problem of increasing the income of the general body of the citizens, however desirable and however possible in time, if properly worked out, involves more careful and far more extended investigation than it has received. In order to discuss this situation adequately, two methods might be followed: either the investigation of the various theories put forward for the reconstruction of economic society, or a direct analysis of what is involved in the existing economic structure, with

Continued on page 16.

SHAREHOLDERS OF G.T.R. ENTITLED TO BETTER DEAL

Some of Arguments From the Standpoint of the Investor

COUNTER PROPOSALS

An Analysis of the Offer of the Government and the Proposition Made By the Directors

By Resident Representative

MONTREAL. — So far as THE FINANCIAL POST has been able to size up the situation it seems to be decided definitely that the Government will take over the Grand Trunk Railway Company's properties on the terms of an annuity. The only alternative that would take in the problem of the Grand Trunk Pacific as well would be to advance fairly large amounts of money to the G.T.P., or the Grand Trunk as the parent line, in order to enable it to meet the operating deficits and accruing liabilities on its subsidiary. This, it is understood, the Government has flatly declined to do any longer, and their attitude admits of no compromise.

It remains then to examine the offer the Government has made the Grand Trunk, which was rejected by the shareholders. Is it a fair one? Does it represent a just payment to the company for the actual cash invested in the road? Does it offer equitable treatment to the investors, who number 65,000 people? From inquiries I would answer emphatically, No.

The Government's Offer

An analysis of the Government's offer as it relates to the shareholders shows some startling results. The sum offered for the first three years is $2,500,000 a year. This amount is sufficient to compensate only one of five groups of investors: the holders of the 4 per cent. guaranteed stock, amounting to $50,000,000. For three years more the first preference shareholders, the second, and the third would receive not one cent, and in addition the ordinary stockholders would be left in the same position, representing outstanding stock to the amount of $17,100,000 of first preference; $12,650,000 of second; $35,840,276 of third, and $119,775,000 of common. And that, too, after these shareholders had passed through two years, 1917 and 1918 without a cent being returned to them on their investment owing to abnormal war and wage conditions. Is that fair?

Take the second term of years, the five following. For this term the Government offers an annual rental of $3,000,000. This would take care of the guaranteed stock dividend of $2,500,000 and leave a balance of $500,000 to be distributed among the first preference shareholders, yielding an average of less than three per cent. Still the second and third preference shareholders would go without a cent., and the common shareholders. And this would mean a period of ten years in all since they had been paid a dividend.

For the third term the Government increases the offer to $3,600,000. What will this do? Pay the guaranteed and $854,000 to the first preference at the regular rate of 5 per cent., and leave a balance of $245.000 —for all time to come—to devote to the third preference shareholders who have $35,000,000 of stock, most of it a cash investment, and the $119.000,-000 held by common shareholders. What would their interest be? If divided among the third preference holders it would represent a return of about two-thirds of one per cent. after they had waited ten years with nothing, and leave not a cent at all for the common stock. Or making an equal division among the two groups, each would have a yield of one-sixth of one per cent.—$1 out of $600 each year—after a wait of ten years without even this pittance.

Is the Government Offer Fair?

Grand Trunk Shareholders	
4% guar. stock	$ 50,000,000
1st pref. 5%	17,100,000
2nd pref. 5%	12,650,000
3rd pref. 4%	35,840,276
Total	$115,590,276
Ordinary stock	119,775,000
Total	$235,365,276

Continued on page 5

A Public Ownership Sink Hole

TORONTO'S white elephant, the civic abattoir, continues to drain the city's finances at an alarming rate, and is now a quarter of a million dollars in the hole. Last year the cost of operating the institution amounted to $104,662, while the revenue was so small that a loss of $75,000 was shown. The situation will be even worse this year, as the cost of operation will be larger. Including the civic cattle market, there will be a loss this year on the two enterprises of little short of $100,000—truly a costly price to pay in a single year for the satisfaction of supporting the public ownership fetish.

Even the most ardent advocates of public ownership in the City Council are admitting that the situation looks bad, and at this week's meeting it was decided to set a committee to work to make a thorough investigation of the whole business. It is a foregone conclusion just what the result will be. Already Finance Commissioner Bradshaw, who for one does not believe in saddling the whole population of a city with the cost of operating undertakings for the benefit of the few, has expressed the expert view that it is impossible to make the enterprises remunerative, even if the city had power to force every butcher outside of the packing interests to slaughter all animals at the abattoir.

And to talk of the city plunging deeper into the morass, with the addition of a dead meat business, shows an infatuation on the part of Toronto's will-o'-the-wisp chasers that should be promptly dealt with by the citizens.

Tariff Amendment a Poor Political Move

OTTAWA,—After having been in almost constant eruption for several weeks on the debate on the address, it was supposed that the volcano of eloquence on the side of the Opposition had become exhausted; but it broke out afresh on the McMaster amendment. Its only apparent object was to give some members of the Opposition, who had not had a chance to air their views on the question during the debate on the address, an opportunity to speak. What tactical advantage the Opposition hoped to gain from it is hard to see. Its only immediate effect has been to lead to two members of Mr. Mackenzie's following separating themselves from him, temporarily at least, and voting with the Government. The course of the Opposition during the session seems to be designed to prevent as many Liberals as possible from ever coming back to the fold.

It is, no doubt, embarrassing for men like Crerar, Carvell, Dr. Clark, and other former Liberals to have to stand up and vote against principles which they had formerly so strongly advocated; but to bring this about does not get the Liberals anywhere. It is actually strengthening the Union Government, and doing so at the expense of the Opposition. It does seem to afford the French members on the side of the Opposition considerable amusement to take this course, but it is disastrous for their party. A long-headed leader like Mr. Fielding would never have adopted such a course.

Clark, Levi Thomson, Crerar, and all other well-known low-tariff men who spoke took care to make their position clear. They had not abandoned their principles, but reserved to themselves the right to take such action as appealed to them when the budget was brought down, so that we are no wiser regarding what will happen then than we were before Mr. McMaster's amendment was moved.

Cross-firing in Caucus

It is apparent that the Government caucuses are not satisfactory to those who take part in them. One member describes them as shooting statements at one another across the room, without having any definite knowledge of conditions, or without ever having a definite basis on which to discuss the question. He said there seemed to be a woeful lack of data, and wondered why the Government did not prepare something definite on the subject to inform the members, so that they could discuss the subject in caucus intelligently.

This constant flood of talk without authoritative information only emphasizes the necessity for a tariff commission to inform the House and the country as to what are the real facts of the case. As things now stand, the Government is gaining strength, and has nothing to fear until the budget is brought down, and that is not likely to be for some time, or until after the return of Premier Borden. Everyone is preparing for a long session.

Reduction Will be Aimed at Luxuries

At present it is assumed that even the 7½ per cent. war tax, which was one of the things which Mr. Maharg insisted would have to come off before the main tariff was even considered, will only be gently shaved, if it is interfered with at all. It covers every item, and is a valuable revenue producer, which the Government has no desire to dispense with. Such luxuries as those "long-legged" boots the ladies affect will be attacked. It is the extremes of fashionable attire which cost money. The man who uses stock clothing of standard cut can always secure very much better value than the young man who affects those flights of fashion seen on the movie heroes. Agricultural implements are likely to suffer a cut; the implement manufacturers do not appear to have much sympathy from any quarter in the House. But there will be nothing in the way of a general scaling down of the tariff at present which can give much comfort to the Grain Growers' Association, or anyone else looking for radical action.

Expect a Howl From the West

If the expected action on the tariff is taken—or rather, the expected inaction—it might reasonably be assumed that even the coyotes on the Western prairies would be drowned out in the howl which would ensue. A Western mayor who was here recently begging for a postoffice, and got little encouragement, went home and advised his friends that the only thing to do was to "set up a howl that would be heard in Ottawa." But it may be pointed out that what sounds like a perfectly irresistible howl in the place where it is perpetrated, does not jar the hush in the slightest when its echoes penetrate to Ottawa. You can get used even to the coyotes; and the powers that be at Ottawa are so used to howls that they feel about the same way you feel when the clock stops ticking. You never notice it until it stops.

This Union Government is somewhat unusual, in that a great number of the members who are here recognize quite distinctly that they are political accidents, and they do not expect lightning ever to strike again the same place. They like the job, in the meantime, and they like the indemnity. They like the nice writing paper, and doing away with the trouble of licking stamps and paying for them; it is much simpler to write: "B.S., M.P." on the corner of the envelope. They like snapping their fingers at the pages, and seeing them jump. They like bowing to the Speaker when they cut across his bows in the front. They come nearer to being heroes to their wives, watching them from the gallery, than ever before in their lives. Will they give it all up in a huff, because their constituents persist in clamoring for something they know they cannot get? Not many of them.

It is assumed by some people that Maharg, who is taken as being the visible embodiment of Western tariff sentiment, will resign if the war tax is not wiped out and substantial tariff reductions made. It would be far more likely that Reid, of Yorkton, would be the man who would take such action, or perhaps some obscure member who has said little or nothing, but may be thinking a good deal. Many people doubt if Maharg is at heart a free trader at all.—T. M. F.

GENERAL STATE OF BUSINESS IS STILL FAVORABLE

Retail Trade Throughout the Country Reflects General Prosperity

MARKETS ARE QUIET

At Present Investment Buying Has Slowed Down Somewhat, But April is Expected to Be Active Month

European affairs are undoubtedly exercising a certain restrictive influence at present on the investment market and some timidity is in evidence, reflected by the recent softening in the New York list, but notwithstanding what may be regarded as disturbing developments in Eastern Europe, the general tone remains pronouncedly favorable. Those elements in the situation which may be classed as bullish in complexion appear to outweigh the factors that would retard the forward movement.

General business throughout the country, and this applies equally to the United States, is good. The retail trade in practically all lines is active. There is to-day a certain relaxation from the strict economy of the war-period and, while in some quarters there is a holding off for possible lower prices for commodities, the average consumer is not accustomed to weigh such considerations and is buying what he or she needs at the current rates. On the other hand retailers are not buying goods at all freely from the wholesalers and manufacturers, pursuing the policy of clearing out stocks as far as possible and only taking in fresh supplies in small quantities and for immediate requirements. The fear that prices may decline has undoubtedly had its influence this season on the buying policy of merchants.

Manufacturers in the meantime have been maintaining production in most lines, on the assumption that prices cannot be appreciably reduced

Continued on page 16.

THE POST THIS WEEK CONTAINS

	Page
Lord Shaughnessy on the Labor Problem	2
C.P.R. Will Put Confidence in Public Opinion	2
Would Bring the Steamship Lines Under Supervision	2
Some Technical Features of the Housing Scheme	3
The Increase in Current Loans Still Continues	3
West's Problems Considered by Loan Cos.	3
New Steel Price List Evidently a Compromise	4
Rubber Company Will Show New Record Earnings	4
Construction Plans of C.P.R. Announced	5
Monarch Knit Earned About 23 Per Cent. on Common	5
Abitibi Could Clean Up Arrears and Pay Common	6
General Electric Coming Back to Peace Basis	6
Fewer Orders Hurt Dividend for Wayagamack	7
Acadia Sugar Sold Site and Paid Off Bonds	7
Thinks Bank Manager Should Rank as Partner of H. O.	9
Suggests That Farmers Deal With Own "Kicks"	9
Engineer Murphy Attacks Hydro Policy	10
The Farmer, the Bank, and the Manufacturer (Edit.)	10
Conditions Are Somewhat Varied in Bond Market	12
Tendering for Quebec Schools Was Interesting	12
Need for Closer Supervision of Municipal Loans	13
Wine Cellar Burglaries Are Common	14
Apartments Are Only Solution of House Problem	14
More American Capital for Canada	16

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347

THE STANDARD BANK OF CANADA

QUARTERLY DIVIDEND NOTICE No. 114

Notice is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 30th of April, 1919, and that the same will be payable at the Head Office in this city, and at its branches on and after THURSDAY, the 1st day of May, to Shareholders of record of the 19th of April, 1919.

By order of the Board.

C. H. EASSON,
Toronto, March 21st, 1919. General Manager

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Edward C. Pratt, General Manager

C.P.R. WILL PUT CONFIDENCE IN PUBLIC OPINION

President Beatty Believes People Generous as Well as Exacting

GOVT. COMPETITION

Big Transportation Company Under No Misapprehension as to the Tactics Which May Be Employed

By E. W. BEATTY, K.C.
President, Canadian Pacific Railway

The problems of to-day, transportationally speaking, are not at all akin to the problems of the past, and the problems of the future have still more of the unknown in them than the problems of to-day.

The Canadian Pacific Railway is what is termed "A Public Service Corporation" which means that in its primal functions it makes its way by serving the public. While it has always been a Public Service Corporation, the view of what constitutes effective public service, has in later years been modified and enlarged. It is said that the public is an exacting and jealous mistress. It is also true that the public is a generous friend, and the attitude of the public towards a corporation is necessarily and properly influenced by the attitude of that corporation and its officers towards the public. Nothing is so readily recognized and appreciated as willingness to serve, and efficiency in service.

In these times when the people's minds are directed to possible changes in the theory of administration of transportation companies, it is more important than ever that the officers and men of this company should appreciate to the full the character of their obligations to the public. I am not unmindful of the fact that unreasonable demands are periodically made of railway companies, but I cannot avoid the conclusion that on the extent to which the people of this country believe in the Canadian Pacific Railway as an institution which is honestly and efficiently managed, and on the extent to which they believe in the integrity and fair dealing of the officers of that company, will in a large measure depend their attitude towards the company in connection with projects for Government ownership, nationalization, or whatever other term the excursions of Government into private enterprises are designated by.

A Corporation's Health

The C. P. R. is not in business for its health but health is very necessary to it, and that health depends upon the prosperity and goodwill of the Canadian people. Canada's prosperity is our prosperity and what is good for Canada is good for the Canadian Pacific. Canada's interests are our interests.

The C. P. R. has been faced with competition from other companies performing public service. Healthy conditions have evolved from it. It is said that self-interest is guiding influence in men's lives and that is true, and nothing spurs men to effort towards greater efficiency than the healthy competition of a rival engaged in the same business. The competition which has to be at present is in a measure different from this. It has all the elements of the natural struggle for business which pertains in all industries, but it has this aspect of abnormality, in that the principal competing force, being the Government, possesses in itself powers which make the competition unequal. In many cases the Government is in the position of judge and jury, of the man who is umpire, who owns the ball field, and has an interest in one of the teams. Improperly used such competition is unfair. I do not say necessarily so, but the strong and human tendency is to exercise strength where one knows he possesses strength and to exercise power where that power is accorded.

I have great confidence in the sense of fair play which prevails in this country.

I am mentioning these facts lest someone might asume that we did not know the difference between these forms of competition.

HARRY HORNE CO.

Amalgamation With Litster Pure Food Co. Effected

The Harry Horne Co., Ltd., has recently purchased the entire assets of the Litster Pure Food Co. Ltd., and have moved from the old offices 309-311 King St. West, to the factory and offices of the Litster Pure Food Co. at 1297-1299 Queen St. West, Toronto.

In addition to carrying on the manufacturers' agency business the Harry Horne Co. will continue the manufacture of products made by the Litster Co. and is installing considerable new machinery to facilitate production.

Harry Horne is president and general manager of the company and James Litster becomes assistant general manager.

AUSTRALIA'S WHEAT

About 200,000,000 Bushels Available For Export

LONDON— Australia has about 200,000,000 bushels of old and new wheat available for export until the end of the present year, but the entire supply will not come to this country, because India has already purchased some, and as her present acreage is 7,000,000 less than last year and conditions are unfavorable, she will probably take more Australian wheat.

LORD SHAUGHNESSY ON LABOR PROBLEM

Social Status a Factor as Well as Questions of Hours and Rates of Pay

By RT. HON. LORD SHAUGHNESSY
Chairman, Canadian Pacific Railway

We are now entering upon rather a new era in industrial affairs. Those who have to do with labor matters face problems of a character somewhat different to any faced heretofore. In dealing with labor questions and in dealing with other subjects, we must be to the forefront and in the front rank, and must not be be behind or lag to the rear.

I have just returned from England. There the situation of labor is a cause of anxiety. Nominally the problem between labor and employers is a question of hours and rates of pay. To my mind, and it will be so here, there is something beyond that now. It is not only a question of hours and rates of pay, but of the actual status of men who are performing such a large portion of work of building up industries, and making itself as strong an influence as the capitalists and employers. It is a question of what their social status is to be in the future. We may take it for granted beyond question that the working man of the future, the working man of to-day, must be permitted and enabled and assisted, he and his wife and children, to lead quite a different existence to that of the past. They must not be confined to the narrow, sordid lives that circumstances have made hitherto. They must have the opportunity to enjoy the good things of life that those in higher positions have enjoyed.

I am sure that every officer of the C.P.R. who has to do with social and industrial questions of this kind will be in the front rank in meeting the situation and in dealing with it judiciously and thoughtfully. I think I can say for the C.P.R. during my period of office the relations between the labor employed by the company and the officers were of a most harmonious character. We had little of the difficulties that others had to contend with. I hope that those conditions will continue in the future. Great as is the C. P. R., vast as are its interests, varied as its activities, I have in my mind's eye a C. P. R. infinitely more progressive than at any time.

MINING MEN MET AT VANCOUVER

Big International Mining Convention Held at the Coast Last Week

By Special Representative

VANCOUVER. — The big international mining convention which was the chief attraction in Vancouver last week will undoubtedly go a long way towards helping the development of the province in view of the fact that the hundreds of men who attended from all parts of the Canadian and American North-west left for their homes with a far more intimate knowledge of the undeveloped mineral resources of the province than they ever had before. Hon. Wm. Sloan, Minister of Mines, took occasion in his address on the opening day to dwell upon the production of the various metals during the past three or four years and the system upon which his department was operated throughout the province. He said that 1918 was a record year and that the value of the output was greater than that of 1917, while decreases occurred in the states of Utah, Nevada, Colorado, New Mexico and California.

T. W. Bingay, of the Trail Smelter, was one of the principal speakers, and he took opportunity to criticize the graduated income tax. He could see no reason, he said, why three or four thousand shareholders of a company should have to pay 10 per cent. on the part of their income derived from that company while a proprietor or shareholder in a small undertaking earning less than $20,000 paid a smaller rate. He said that an income tax that penalized the larger undertakings in favor of the smaller ones in spite of the fact that the division of the profits in the larger concerns may result in a smaller dividend to the individual proprietors, was unwise. The present policy of the Government was to restrict rather than encourage production.

WOULD BRING THE STEAMSHIP LINES UNDER REGULATION

Armstrong Bill Now Being Considered at Ottawa

SHIPPERS' INTERESTS

Canadian Manufacturers' Association Says it Must Be Handled Very Wisely

By Resident Representative

OTTAWA.—J. E. Armstrong, M.P., is again making an endeavor to bring ships acting as carriers under the operation of some authority which shall be able to regulate their rates and time and manner of calling at ports. At present shipping in Canada, whether inland or coastal, is under no control. The firms claim that they differ from railways in several important respects. There is no public franchise given to any one company. The railroad enjoys a monopoly on the road it uses, and which the Government helped to build. It operates between definite points and on a definite schedule on a fixed roadway. It is not subject to marine risks which require it to carry insurance of from 5 to 8 per cent. Shipping men say that as long as they have no public franchise, they should have no special burdens. They claim that absolute competition insures fair rates. They claim also to be common carriers and say:

> I will not take your grain, I will take somebody else's that I get one-eighth of a cent a bushel more for. I will not go to Colborne or Midland because of unloading conditions there. I would rather run my boat through to Montreal so that I can get a return cargo. The boatowner does that and nobody can say he is wrong, he is not a common carrier and cannot be ordered to do what he does not wish to do.

Mr. Armstrong presents the conditions which obtain as a result of this freedom which the shipping men of Canada claim for themselves. He says:

> At the present time we have 8,500 ships, with about 45,000 employees, under Canadian register. None of those, with the exception of the few operated in connection with the railways, are under any control with regard to tariffs, tolls, tariff agreements, places of stopping or whether they shall stop at all. They may take a shipper's goods or leave them, as they wish. There is no control over rates on grain from the Northwest. Canada has spent over four hundred million dollars on dredging rivers, buoying and lighting waterways, buildings docks and piers and canals, in order that the transportation facilities may be cheapened and improved; but rates have gone on increasing from year to year. Grain carriers have increased enormously in size and carrying capacity, which should make for lower rates; but the rates have gone up.
>
> There is practically a monopoly in the lake traffic, as the Canadian Steamship Company claims it controls over 90 per cent. of the traffic. This bill (bill 6; an Act to Amend the Railway Act) will place us in a position by which we can enter into an agreement with the United States and Great Britain to get control of our shipping. We are the only country in the civilized world which has not such control now. The United States has passed a law by which the United States Shipping Board has control on coastal and inland waters.
>
> There will, of course, be objections. The millers will object, as well as the sugar men and others who have been getting special rates, and privileges. The millers, for example, have been allowed to load a boat with grain, but need not take delivery of it for a long time.
>
> The matter has been up several times since 1912, and rates have increased very materially. Lake vessels have been passing the small ports and ignoring the small shippers, and there seems to be no control over them.
>
> Generally speaking, those who are strongest in demanding the passing of this bill are the farmers of the West, the fruit growers of both Ontario and British Columbia, the Vegetable Growers' Association, and small shippers generally who are at the mercy of the boats, not only as regards rates, but as to whether their goods shall be carried at all or not.

Wants Same Tariff

When the joint Committee of the Senate and the House had under consideration the consolidation of the Railway Act, Mr. Armstrong introduced an amendment urging that, so far as was deemed applicable, the Railway Act should apply to tariffs for water carriers. The Consolidated Railway Act has passed the Senate and will next come before the House. Mr. Armstrong will introduce an amendment following along the principles of the following bill, which received its first reading February 27th.

The section in the Railway Act which applies is Section 358:

> The provisions of this Act shall, so far as deemed applicable by the "Railway" Board, extend and apply to the traffic carried by any railway company by sea or inland water, between any ports or places in Canada, if the company owns, charters, uses, maintains or works, or is a party to any arrangement for using, maintaining or working vessels for carrying traffic by sea or by inland water between any such ports or places.

This is applicable only to cases where railways have water carriers in connection. The Senate struck out the following, which would cover what Mr. Armstrong has in mind:

> . . . and the provisions of this Act in respect of tolls, tariffs, and joint tariffs, shall, so far as deemed applicable by the Board, extend and apply to all freight traffic carried by any carrier by water from any port or place in Canada to any other port or place in Canada.

Follow it Closely

The Canadian Manufacturers' Association has appointed a committee to take up matters in connection with this bill. It is stated that it may, unless handled wisely, work out so that not only many manufacturers but many retailers who depend upon water carriers to get their shipments at the lowest rates may be seriously affected. In some cases it is feared they might lose the shipping altogether and this would materially affect their business.

There is also the question of interest on overcharges in connection with shipments. This matter has been under discussion before but no satisfactory settlement has ever been arrived at. The committee of the Canadian Manufacturers' Association will take this up when the bill is under consideration and endeavor to have something definite settled.

The Amendment

Bill 6.—An Act to amend the Railway Act, is as follows: Subsection one of section thirty of the Railway Act, Revised Statutes of Canada, 1906, chapter thirty-seven, is amended by inserting the following paragraphs immediately after paragraph (g):—

(ga) With respect to any privilege or concession given by any company or express company or by any person owning or controlling any such steamboat or vessel as is in the next paragraph mentioned, and where any privilege or concession is given by any such person or by any company or express company to any person or class of business or in any part of Canada, the Board may order that such privilege or concession be discontinued or modified or granted to any other person or class of business, or in any other part of Canada, either the same or in a modified form.

(gb) With respect to the traffic accommodation, classification of freight, traffic agreements, tolls and tariffs to be furnished, made, entered into and charged in connection with and by steamboats, and other vessels engaged on a regular route carrying passengers or freight or both from one port or place in Canada to another port or place, or to a port or place outside of Canada and with respect to the places along the line or route where such steamboats and vessels shall call for traffic, the time of call and duration of stay.

2. All tariffs of tolls, tariffs agreements, and classifications of freight charged, entered into or adopted in connection with any steamboat or vessel mentioned in paragraphs (gb) of this Act shall be submitted to the Board.

MILLERS ARE STILL LOOKING FOR ORDERS

Wheat Export Company is Giving No Reason For the Delay

By J. L. RUTLEDGE,
Editor "Canadian Grocer."

Canadian millers are still waiting patiently for a resumption of orders from the United Kingdom, but such orders have not materialized as yet. The Wheat Export Company will give no reason for the delay, nor will they give a definite assurance of the resumption of this buying for export. The millers are mainly depending on indefinite promises, and a general assurance that the British Government cannot see the trade here, suffer unnecessarily. There is a general confidence that it is only a matter of a brief while before orders will again be available. It is generally believed that the British Government is anxious to relieve its present stocks before making further purchases for it is known that the delay is not entirely a matter of shipping or handling, as other products are finding shipping space and are being handled without difficulty at British ports. As far as can be learned however there is no heavy burden of purchases from any other producing country, and day by day the European demand grows more acute, so that there is a very general confidence, that the export market will again become a factor in the near future.

In the meanwhile, however, mills are remaining closed, and some others who have been endeavoring to remain running as long as possible have been compelled by force of circumstances to close. This closure is unquestionably a serious factor and will tell sharply in the question of profits. It is interesting to note however that the mills whose dividends fall due have met them, and have even continued the granting of bonus dividends, which would appear to be an indication that despite everything there is the possibility of the mills making a fair showing during the current year.

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter for the second week of March totalled 7,546 tons, of which 3,760 came from the Sullivan and 2,305 from Centre Star. For the corresponding week of 1918 receipts amounted to 9,602 tons. Total for the year to date is 146,859 tons, compared with 149,903 tons for 1918.

WEST'S PROBLEMS CONSIDERED BY LOAN COMPANIES

Bearing of New Legislation on Municipal Credit

HEAVY TAX BURDENS

Attitude of Provincial Governments is Regarded as Being Little Short of Confiscatory

A number of matters of direct and practical importance in the affairs of the trust, loan and insurance organizations of Canada were dealt with at the annual meeting of the Dominion Mortgage and Investments Association this week, the majority of which were brought up under the reports of the executive and special committees.

The situation in Western Canada bearing upon the standing of the municipalities from the investment standpoint has had the attention of a committee on municipal finance and the report concludes with the following important reference:

As the provinces are giving attention to the reconstruction of their municipal legislation, it is hoped that provision will be made for supervision of accounting so that it will not be difficult to obtain the information that may reasonably be expected by investors holding bonds of a municipality showing signs of becoming irregular in meeting its obligations.

It should be borne in mind that the number of cities or municipalities facing difficulties is not large and at present there are no grounds for anxiety as to the situation generally. The trouble existing, as indicated in the case of certain municipalities, could as a rule have been averted by more efficient administration. The committee would recommend that continued efforts be made with a view to securing better control of municipal finances.

Arrears of Taxes

Reference is also made to the action of Western legislatures with regard to arrears of municipal taxes. The trend of this legislation is to provide protection for the property holders who may desire but who are not able to pay their taxes. This may appear as a proper attitude in some cases but the fact remains that in many instances it is only postponing the day of settlement and undermining municipal credit.

Tax Burdens Increase

The increased burdens upon the loaning companies as the result of new taxes is the subject of a special report by the committee on taxation. In Saskatchewan the taxes on trust companies have been increased from 40c per $1,000 to about 1½ per cent. on the great volume of business; on insurance companies it has advanced from 1 per cent. to 1 to 2 per cent. In Manitoba the tax on insurance receipts has been advanced from 1 to 2 per cent. to a flat rate of 2 per cent. On insurance investments and loan and trust company investments the charges are also increased in somewhat similar manner. Referring to the whole situation the report says:

The ratio of special taxation to paid-up capital, in the case of the three classes of institutions being dealt with, has risen substantially. In 1914, for instance, the amount paid in the form of taxation represented .44% of capital and in 1918 the amount paid was equal to .62% of the capital, and if we add the war taxation paid in 1918 the percentage paid to capital was 1.29%. In the case of loan companies the 1914 special taxes represented .24% or practically ¼ of 1% of the paid-up capital and for ordinary taxation there was but a slight increase in 1918. The returns examined by your committee showed an actual increase of .08%. In the matter of war taxation, however, the loan companies' payments amounted to .46% of the capital, making a total of practically ¾ of 1%, which brings the total increase in their taxation, war and ordinary, up to 200% in the five-year period. Insurance companies' taxation of an ordinary character increased, in the period, 44.30%, to which special municipal taxation has been a very material factor. The amount of the taxation paid by this class of company in 1914 amounted to 7.62% of the capital and in 1918 it had risen to 9.92%, showing an increase of 2.69% or 35.30% increase in ratio of taxes to capital.

The committee states that it is difficult to find any equitable principle which has guided the authorities in levying special taxes and charges. Further:

To take in the form of a tax, part of the interest which a borrower has agreed to pay to a lender under the terms of a contract cannot be regarded as being other than statutory confiscation, and the same applies to the taking (in the same way) of part of a premium payment on account of an insurance contract. Ultimately, and this is a point not generally understood, the taxes on interest are borne in the form of higher rates that must necessarily be charged to borrowers and in the case of the taxes on premium payments on insurance contracts the beneficiary under the policy secures less insurance.

The membership of the Association includes loan and savings companies with assets of $134,689,000, trust companies with assets of $352,092,000 and life insurance companies with assets of $264,211,000, an aggregate total of assets of $750,993,000.

Special features of the meeting included an address by Professor Adam Shortt on the functions of loaning and insurance institutions and a review of the present situation as regards investments by President Hume Cronyn, M.P. F. C. L. Jones, Toronto, delivered a paper on the subject of Instalment Mortgages; George H. Muirhead, Deputy Master of Titles for Ontario, on Progress in Land Transfer Reform, and S. B. Woods, K.C., Edmonton, on the Position of Urban Mortgagees in the Urban Districts of Alberta.

AN OMNIBUS LINE FOR VANCOUVER

City Council Will Decide Upon the Matter in Near Future

By Special Representative

VANCOUVER. — The city council will be called upon shortly to state its attitude toward the establishing of a system of omnibuses to run on city streets and ultimately to New Westminster. It may be remembered by readers of THE FINANCIAL POST that a short time prior to the commencement of the war the London General Omnibus Company made overtures to the city council to put on a fleet of 300 cars which would compete directly with the B. C. Eectric Railway. A. R. Tufts and his brother Stewart S. Tufts are representing the Old Country concern in the present negotiations.

Should the city authorities decide to give the company exclusive rights over certain streets, the company's representative said in 1914 that his principals were prepared to expend from $1,900,000 to $2,000,000 and, through operation to employ a force of 1,300 men. The installation of another rival transportation system would undoubtedly mean the discharge of many men from the service of the B. C. Electric as was the case when the jitneys were flourishing.

At the time of the first negotiations with the city, the company announced its plan of operating on a zone-carrying rate basis with fares charged according to distance travelled. While the original suggestions advanced by the company might have to be altered in some details it is understood that the main proposal as advanced five years ago will again form the basis of negotiations.

SUDDEN ADVANCES IN PRODUCE MARKET

American Buyers Are Proving a Big Factor — Heavy Export Business

American buyers are proving a big factor in the produce market of late, and have been the cause of sharp advances in many lines. The sudden realization that butter stocks in the United States were light, and that fifty per cent. of these stocks were in the hands of the Government, and that therefore the domestic trade was face to face with a serious situation led American buyers to enter the Canadian market, and heavy purchases have been made on all the large markets, with the result that Canadian stocks already light have been further depleted, and wholesale prices have shot up six and seven cents a pound during the week, with the probability that there will be still further advances.

The same conditions obtain in the hog and beef markets. Heavy buying for export has been a large factor in maintaining prices, as the domestic demand is not sufficient to maintain present standards of price. In the case of beef American buyers are picking up all the best quality stock. A week ago there were 2,500 head offered on the Toronto market, of this quantity 1,100 went to American buyers, and were shipped across the line. As stocks at this time of year are always light, this unexpected drain is a factor to be reckoned with. It has already resulted in forcing prices to almost prohibitive levels, with no relief in sight till grass cattle begin to come on the market in the early Summer.

The Engish export demand for both lard and shortening has been another important influence in the trade. European countries are almost bare of fats, and there is a keen demand for everything of that nature, which has resulted in a consequent lowering of stocks in this country and again, advancing prices.

GRAND TRUNK PACIFIC

The Grand Trunk Pacific Railway reports gross earnings for the last seven-day period of February amounting to £16,875 against £22,036 for the corresponding period of 1918, a decrease of £5,161. From January 1 to the end of February the earnings totalled £159,688, a decrease of £26,079.

At the end of 1918 Electric Boat Co., practically all of whose stock is owned by Submarine Boat Corporation, has $23,000,000 of unfinished business on hand. In addition negotiations were pending for an additional contract for submarine torpedo boats amounting to $9,000,000.

SOME TECHNICAL FEATURES OF THE HOUSING SCHEME

Loan Situation Will Be Affected by Big Scale Financing

ACCRUED INTEREST

Suggestion That Standard Re-payment Tables Be Adopted With the Endorsation of the Government

By F. C. L. JONES*

The subject of instalment mortgages repayable by periodical payments of blended principal and interest, and their relation to the Dominion Interest Act, has become of first importance in view of the recent decision of the Government to advance a large sum towards the improvement of housing conditions throughout Canada.

Loan companies advancing money on this plan, as well as the Government through the various media of distribution by housing commissions and housing companies, are alike concerned in seeking that the mortgages taken as security for loans are safe, not only in respect of the actual calculations of re-payment upon which they are based, but also that they are fully protected against the pitfalls now disclosed to exist in the Interest Act.

Hansard for the Session of 1880 makes interesting reading at the time of the introduction of the "Mortgage Regulation Bill," stipulating that:

No fine or penalty or rate of interest shall be stipulated for, taken, reserved or exacted on any arrears of principal or interest secured by mortgage of real estate, which has the effect of increasing the charge on any such arrears beyond the rate of interest payable on principal money not in arrears; provided that nothing in this section contained shall have the effect of prohibiting a contract for the payment of interest on arrears of interest or principal at any rate not greater than the rate payable on principal money not in arrear.

Many disputes arose throughout the country over the repayment and discharge of these mortgages, but it is a remarkable fact that no decision upon the clauses of the Interest Act affecting them was reached until 1912 or nearly 32 years after the Act was passed, when the matter came up for consideration on an appeal to the Court sitting in banc in Alberta. The provisions of the Interest Act (R.S.C. 1906, Chap. 120) that affect the question are contained in Sections 6 and 7 as follows:—

Section 6. — Whenever any principal money secured by mortgage or real estate is, by the same, made on the sinking fund plan, or any plan under which the payments of principal money and interest are blended, or on any plan which involves an allowance of interest on stipulated repayments, no interest whatever shall be chargeable, payable or recoverable on any part of the principal money advanced, unless the mortgage contains a statement showing the amount of such principal money and the rate of interest chargeable thereon calculated yearly or half-yearly, not in advance.

Section 7.—Whenever the rate of interest shewn in such statement is less than the rate of interest which should be chargeable by virtue of any other provision calculation or stipulation in the mortgage, no greater rate of interest shall be chargeable, payable or recoverable, on the principal money advanced, than the rate shown in such statement.

For many years the statement adopted by instalment mortgage companies, supposed to give the information required by the Act, had become a stereotyped form inserted anywhere in the instrument, often at the end, and running somewhat as follows: "And it is further agreed between me and the mortgagees that the principal hereby secured is...... and the rate of interest charges thereon is......per cent. per annum as well after as before default."

The judges of the Supreme Court have agreed that there were ambiguities in the language of Section 6 that made it difficult of construction, and it was not surprising that there should be differences of opinion as are to be found in the dissenting judgments of the present Chief Justice and Mr. Justice Idington.

The decisions have made it clear, however, that the Sections contain several distinct prohibitions,—

1. That interest must not be calculated oftener than half yearly;
2. That it must not be calculated in advance; and
3. That no higher rate can be obtained either by way of penalty or otherwise than the lowest rate expressed. It follows from these that nothing but the original method of computation recognized and accepted in law can be applied in arriving at the quantum of interest payable with each instalment.

A Question of Calculation

It seems to me, therefore, that the all-important element is the method of calculation, and that unless great care is taken to see that the blended payments as verified by the fundamental statement of principal and interest are strictly correct, there is danger of loss when dealing with mortgages covering any considerable volume of capital, assuming that the Statutory statement complies in every other respect with the Section where the mortgages will run into such large figures as twenty or thirty million. I would suggest that the remedy can easily be applied by an amendment to the Interest Act providing that calculation required by Section 6 may be made in accordance with standard re-payment tables adopted or approved by the Government through one of the Departments. Until this has been done, however we must deal with the Act as we find it in the light of the recent decisions, and where so many expressions of doubt as to the exact meaning of the language of the Act still remain, my view is that it would be well to err on the side of safety in the preparation of mortgages and in all cases incorporate in the mortgage a statement, complete in itself, specifying principal and interest, accompanied by a declaration in the exact words of the Statute that the interest is calculated yearly or half yearly (as the case may be) and not in advance.

Diversions in the West

I desire to take the opportunity of expressing my entire dissent from the suggestion given currency in the press some time ago, that the Western Bench was animated by a sectionalist view of West against East in giving the decisions adverse to the Mortgage companies. The ambiguities in the Act gave ground for genuine differences of opinion, and before placing any sinister construction upon the unanimity of opinion among the Western judges in these cases, it is impossible to avoid associating with their Western brethren the two dissenting judges of the Supreme Court of Canada who concurred with them. The absurdity of this result has only to be stated to be apparent to everyone.

*Extracts from a paper delivered at the Annual Meeting of the Dominion Mortgage and Investments Association.

FINANCING ALBERTA IRRIGATION SCHEME

Dominion Government Puts the Issue Up to Provincial Authorities

EDMONTON.—Following the Lethbridge convention of the Irrigation Development Association (reported in THE FINANCIAL POST last week in Mr. Crandall's article), a deputation has waited upon Premier Stewart looking to action on the plans outlined for extensive irrigation in the southern part of the province. The point has arisen as between the Dominion and the Provincial Government as to financial responsibility in the matter. On behalf of the Dominion Government, Hon. Arthur Meighen, Minister of the Interior, has stated a readiness to begin surveys in connection with the scheme "provided the Provincial Government give clear understanding that responsibility from that on is provincial or local, we providing appropriate engineering supervision. If the province in discharge of such responsibility purchase bonds of districts and desires Dominion loan against them such will be considered."

The Irrigation Association urges upon Premier Stewart that this proposition should be taken up suggesting that more satisfactory means of financing might be discovered later, but that if the proposal "is now rejected, our farmers would feel that an excellent opportunity for saving money for them had been passed away."

Premier Stewart holds that the Dominion Government has always held jurisdiction over immigration and "the wire of the Minister of the Interior is the first official information of the Federal Government that it was the desire that the Province should accept this responsibility." Further the Premier says:

Secondly, if the province did accept the responsibility, it would be necessary for the province to investigate by its own officials the surveys, etc., already laid out by Dominion Government officials, to which the province has had no access whatever, and this would require some considerable time.

Thirdly, this province does not propose to borrow money from the Dominion Government and other financial arrangements would, if this responsibility was accepted by the province, have to be made.

Following these observations, it seems to me that the federal authorities should advise this Government definitely as to their future position in connection with irrigation matters. If they decide to drop it altogether, then this Government will endeavor to find a solution of the difficulty and protect the interests of those so vitally concerned. In order that there will be no delay, it is my intention to open this matter with the federal authorities at once.

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If you, as a subscriber to THE FINANCIAL POST, desire information on any Canadian security, or other financial matter, you have the privilege of requesting it from the publishers of THE POST. Enquiries are treated confidentially and are answered by mail. Please enclose stamp for reply.

NEW STEEL PRICE LIST EVIDENTLY A COMPROMISE

Not Satisfactory to Either Low or High Price Factions

MUCH UNCERTAINTY

Result of Delayed Action Has Been to Keep Buyers Out of the Market—Sherman Act Will Not Be Applied

By A. R. KENNEDY
Editor, "Canadian Machinery"

The new cuts that have been announced in the price of steel and iron have had a variety of welcomes as great as the list of goods covered. One thing is certain, viz., the price list is a compromise affair, and as such runs a chance of pleasing neither side. In fact in many ways the move made was what each side had previously said should not be done.

There were two factions in the committee dealing with the matter. One held for no reduction at all, especially urging against a small cut that would require the making of adjustments on business that was already on the books. The other party represented held that there should be no reductions at all. In the toss-up that followed the ball appears to have fallen between two fielders.

Too Much Talk

The FINANCIAL POST has frequently referred to the fact that there had been too much talk about the Redfield proposition of price deflation. This had gone on to such an extent that the Industrial Board could hardly get past the first of April without making some sort of a showing. The same feeling was strong in Canada. Buyers who should have been big buyers, and in the market in a big way, were timidly taking on small lots, fearful of being caught in a declining market, for no person cares to do much purchasing of materials when it looks as though prices were shortly to be shoved out on the skids.

There are men very closely allied with the trade who suggest that prices have been in reality maintained rather than reduced. The Department of Justice has also given its opinion that the Sherman law against conspiracies will not be called into operation in this case. Furthermore the new price schedule is backed by an official announcement that it "believes that a level has been created below which the public should not expect to buy during the current year."

What do Cuts Mean.

To get at this thing right it must be remembered that the country is passing from abnormal to normal business. The great big degree of urgency that has been driving everything ahead of it for the past four years has been removed. When a man or a nation wants a thing in a hurry and must have it, the price, no matter how high, will be forthcoming. Here is how high some of the war figures went:

The average 1917 price of steel plate was $131.80, while the 1913 price was $33.60. The new price is $53.00.

Structurals in 1913 averaged $35.39, and in 1917, $81.68.

In fact taking a list of principal items the figures show this: (The items are Bessemer iron, billets, bars, structurals and plates.

New price	$46.66
Last previous	53.22
December 1918	58.23
Average for 1917	81.90
Average for 1913	29.33

Now that the war pressure has been removed, business must come from firms who find it profitable to take raw products and convert them into saleable articles. Will the new prices start this sort of business moving? That is a question that the next month or so will show. For the present the fact remains that the new price list is about 14 per cent. below war prices and 81 per cent. above the ten years preceding the war.

The Labor Costs

Labors costs enter largely into the production of steel. These are still high. In some of the best regulated plants in 1918 the tonnage labor cost for steel was $23.20 per ton. At that time everything was moving to capacity. Now, with mills going around 60 per cent. capacity tonnage costs must be up around $27 or $28.

RELIANCE KNIT IN MERGER

Announcement is made of an amalgamation of the Reliance Knitting Company of Toronto and the Zimmerman Manufacturing Company of Hamilton, the merger to go into effect immediately, and to be followed by the sale of more stock, probably privately, and by other extensions. The new concern will be called Zimmerman-Reliance, Limited, and with a capital of $2,000,000 it will stand well up among the Canadian manufacturers of knitted goods. Production plans are not yet worked out, but it is possible that the Hamilton plant will be extended, and it is not certain that the Toronto factory will be retained.

DOMINION TEXTILE

Highest Sales on Record to be Shown for Year

By Resident Representative

MONTREAL.—The statement of the Dominion Textile Co. for the year that closes on March 31, will show the highest sales on record, and it is understood a new high record of earnings will also be established. For the year ending March 31, 1918, sales amounted to $16,850,278, eclipsing those of 1917 by $3,474,520. The company's sales for the last two or three months have been light owing to conditions in the trade, but large orders remain still unfilled on spring and summer delivery account. It will be some days yet before fall prices are announced. It is understood these will show a slight reduction.

EFFECT OF LOWER PRICES ON PROFITS

Greater Output of Steel Mills and More Settled Conditions Compensate

Canadian steel mills are meeting the new price schedules of the American steel makers. As a matter of fact, if they are to secure business they must meet the new lists. It does not follow that because prices of steel are lowered the earning of the company will be that much less. In fact if the new prices bring a large tonnage to the mills that will enable them to operate at something approaching capacity the cut will be balanced in that way with little difficulty.

Just how much it will mean to Canadian mills on present production is impossible to estimate. In fact production is so uncertain that a respectable guess could hardly be made. Some of the plants are not operating at all, while others can hardly claim anything better than 60 or 65 per cent. of capacity. It is not hard to estimate what a cut of $7 per ton means to the Steel Corporation, whose tonnages are regularly published. Taking the capacity of that corpiration at 16,400,000 tons annually the new prices mean a decrease on capacity production or $116,000,000 annually.

It is doubtful if Canadian plants right now are producing a million tons per year.

RESUMPTION OF SCOTIA ACTIVITIES

The Company Has Been in Receipt of Orders at Prices to Cover the Costs

There has been more active demand for Scotia common during the past few weeks than for sometime previous, and the movement has carried with it a gain of between two and three points which has been well sustained. The announcement that the company would for its usual quarterly dividend probably helped things along. Following that came the more welcome word that operations would be resumed in the steel making plan. A Boston despatch referring to this point said:

Coincident with declaration of the usual quarterly dividend on the common shares of Nova Scotia Steel & Coal Co. it is learned that the company expects to resume operations in the near future. The steel works at Sydney will probably resume in part on Monday, and at New Glasgow immediately thereafter. Operations at the moment will be limited, but it is hoped to increase gradually to full capacity within the next few weeks. The company has been in receipt of moderate orders at prices which are barely sufficient to return costs, and the operation may be considered in large measure as undertaken for the benefit of employees. Meanwhile, plans for a complete rehabilitation of the plant, involving a reorganization from the mining operations up, are being worked out, and some decision in connection with their adoption will undoubtedly be made within a few weeks.

D. H. McDougall, president of Scotia, referring to the above report, states that the two departments of the steel plant at New Glasgow have been working almost continuously while operations of one rolling mill will be resumed to-morrow, and the other mills within ten days or two weeks. All the collieries are hoisting coal with some broken time, owing to the restricted demand for fuel. Repairs soon to be completed on the open hearth furnaces at Sydney Mines will permit of them beginning to produce steel before April 1. The decision to start operations again coincides with the reduction of American steel prices, but apparently is not directly connected with that action, but the lower prices will of course considerably help the company.

QUEBEC RAILWAY

It is announced that interest on the Quebec Railway bonds will in future be paid when it falls due instead of taking the full 90 days' grace as has been done for a long time past. The price of these bonds has gone up from 57 to 66 in the past few months.

RUBBER COMPANY WILL SHOW NEW RECORD EARNINGS

Consolidated Company Will Exceed Sales and Earnings of 1917

BRIGHT FOR 1919

Increased Business Looked For Again in All Departments—Beating Sales of $16,000,000 and $1,200,000 Earnings

The annual statement of the Canadian Consolidated Rubber Company for the year ending Dec. 31, 1918, to be submitted to the shareholders at the annual meeting called for April 1, will be by far the best in the history of the company. Not only will the sales show a large increase over those of the year 1917, but THE FINANCIAL POST understands the profits will be better also, and an all-round advance will be reported to the shareholders. This includes increased business both in every department of the company, footwear, raincoats, tires, etc., but it is stated that every territory is well ahead of the previous year. Some idea of the character of the company's operations during the year may be gained by recalling the figures of the previous year, when sales showed an increase from $12,094,000 to $16,323,432, and it would not be surprising if the year 1918 brought the total well over $18,000,000.

The net profits for 1917 amounted to $1,208,018, out of which $209,984 was paid for preferred dividends, at the rate of 7 per cent. on a stock of $3,000,000. The surplus remaining was $998,034, or very close to 36 per cent. available for the common stock, which amounts to $2,805,500. The common dividends, however, have been passed since the war broke out, Sept. 30, 1914, but the strength of the company has kept the price to nearly par. Perhaps it would be more correct to say that the control of the common stock by the United States Rubber Company has been instrumental in holding up the price as well, for it is understood that buying has been carried on of the common for the parent company fairly steadily whenever any offered on the market.

Remarkable Use in Sales

The increase in sales has been little short of remarkable. In 1915 the total was only $7,522,147, so that in two years they more than doubled. In those two years also the surplus became almost three times for the year what it had been, increasing from $342,854 in 1915 to nearly $1,000,000 in 1917, and this mark has been left well behind this past year.

The prospects before the company for the year, the FINANCIAL POST understands, are very bright. Little of the sales of last year are attributable to the war, and every department again this year is looked to show increases over 1918. This includes rubber footwear of all descriptions, automobile tires, waterproofs, belting, rubber accessories, etc. The tire business of the company is going ahead rapidly, showing huge increases over previous years. Exports are being made of tires to England, and rubber footwear, and a good business along this line is looked for during the present year.

The recent experiment of the company in organizing selling or distribution companies for the various provinces is working out successfully, and the whole organization has worked into an admirable system of manufacturing and distribution.

MACKAY

Mackay preferred developed weakness this week and declined to 72 or the lowest point of the year. This followed an announcement from Washington that Postmaster-General Burleson had removed Clarence H. Mackay, president of the Postal Telegraph & Cable Company; W. W. Cook, general counsel; Wm. S. Deegan, secretary, and the board of trustees and directors from their positions in connection with that company.

Sir Edmund Osler, Canadian trustee in the Mackay Company, telegraphed to the headquarters of the company in New York for information, and was informed that the trustees are not relieved of duties or affected in any way. The New York officials are not disturbed at all, and property and prospects of the company in their judgment will not be affected.

STEEL OF CANADA

Steel of Canada common equalled its best mark of the year at 65 during the week, and brokers report a steady demand with only a fair tendency to sell. Preferred is also at the high point for the year. It is already known that the financial statement for the year 1918 has been under consideration, and that the results are highly satisfactory, being as good, it has been stated, as those of previous years. It is naturally impossible to say what the earnings actually are, but it is evident that the year was a good one and the Street interprets the rise in the stock as more or less discounting the appearance of the financial statement.

GENERAL ELECTRIC

General Electric has been showing strength since the appearance of the annual statement and has sold up to 104.

Laurentide Power

5s

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MONTREAL POWER

The steady, quiet advance in the market price of Montreal Power continued this week and a new high mark of 93 was reached on Wednesday. This is remarkable in a 4 per cent. stock, but ahead of it is a probable increase to 5 per cent. about the first of May, the end of the fiscal year. At the same time a reduction in rates for lighting will be brought into effect, and the ability to do this is regarded as a strong point for the company's position.

CONSTRUCTION PLANS OF C.P.R. ANNOUNCED

Are a Feature of the Annual Statement Now Issued

TONNAGE LOSSES

Are Being Recovered by Purchases and Construction—Assets Are Highest Total in Road's History

By Resident Representative

MONTREAL. — While conditions common to all railways cut down the net earnings on the Canadian Pacific Railway last year the complete report issued to-day shows a remarkably strong cash position, and in the disclosure of future plans indicates the confidence of the directors in the business development of Canada. The total assets increased during the year from $1,038,074,938 to $1,056,273,513, and are the highest in the history of the road. Liquid assets increased from $63,229,349 to $77,242,946, or 22 per cent.

After the break due to the war a construction programme is outlined for five new branches in Western Canada of 464 miles, extension of the Moose Jaw Southwestern line by 31 miles, for which Consolidated debenture stock will be issued and a sum of $4,482,000 will be spent on improvements to the whole system. Land sales amounted to 842,191 acres for $15,375,996, an average of $18.25 an acre, as compared with 789,055 acres in 1917 for $14,330,811, an average of $18.16 an acre.

Overtaking War Losses

War losses in tonnage on Atlantic and Pacific services are being overtaken. In place of 38 steamers of 342,000 tons the company now has 28 steamers of 264,000 tons, and six under order or purchased of 80,000 tons, a total slightly more than prewar tonnage. A large liner of 21,000 tons is under order and three intermediate boats. During the war 13 vessels were lost by enemy action or accident and requisitioned by the Admiralty.

ANNOUNCEMENT BY TORONTO RAILWAY

Official Notification of Action Reported by "The Post" Two Weeks Ago

In accordance with the decision reported by the FINANCIAL POST two weeks ago, official notice has been sent to the shareholders of the Toronto Railway Company by secretary-treasurer J. C. Grace, that payment of dividends on the stock has been discontinued. This course has been decided upon, it is explained, because of heavy obligations which have to be faced and which have been referred to from time to time. The company has been facing steadily increasing costs of operation without being able to charge higher fares and the earnings are not sufficient to sustain dividends. The notice continues:

Your directors deem it imperative that the company's property be efficiently maintained; and, with this end in view, are compelled to provide very large disbursements for the rebuilding and overhauling of the company's rolling stock, new cars and trackage renewals. A large portion of the expenditure so required is beyond the control of the directors, since it is made under order of the Ontario Railway and Municipal Board. Further, there is an additional disbursement of $150,000 required for increase in wages, pursuant to a recent decision of a board of conciliation. The latter expenditure is the more regrettable because at the time of this decision there was in existence a contract between the company and its employees, which, it will be remembered, was made by order of a previous board of conciliation, effective June 15, 1917, the term of which (under the contract) did not expire until June 15, 1919, and which in itself provided for an increase of wages about $700,000 annually. But it is useless to complain of these conditions and decisions, much as we may regret them. They are mentioned only as factors which have made necessary the elimination of dividends.

Following the decision to drop the dividend the stock dropped to around 41 but it has been in somewhat better favor since and has gained a couple of points. The stock has had a varied career selling up as high as 168 in 1911 and at 128-110 during July 1914 before the outbreak of the war; since then it has shown a more or less steady slump.

CANADIAN WESTINGHOUSE

Earnings of the Canadian Westinghouse Company for 1918 at $1,040,718 compared with $1,011,276 in 1917 and $1,154,533 in 1916. During the year quarterly dividends at the rate of 7 per cent. per annum and an extra dividend of 2 per cent. on the capital stock were paid, amounting to $560,646, leaving a balance of $310,072.01 carried forward to profit and loss, which account shows as of December 31, 1918, a total surplus of $1,711,688.37.

CANADIAN COTTONS

Uncertainties Regarding Fixing of Fall Prices

By Resident Representative

MONTREAL. — Uncertain conditions are delaying the fixing of new prices for fall by Canadian Cottons, and it may be the middle of April before these are announced. If any change is made there will be some reduction, although not a large one. This slight change will be welcomed by the trade in preference to a marked decline as this would cause a decided flutter and force prices of goods on hand down. The fiscal year of the company closes on Monday, and the statement, as already announced, will be the best in the company's history.

The company still finds it difficult to get girls to work all its looms, the scarcity being due to the drawing off of many to munitions plants still existing.

NORTH AMERICAN PULP

Mills Operating at Present at About One-Third the Normal

Advices received from the management of the Chicoutimi Pulp Company the principal subsidiary of the North American Puly & Paper Companies' Trust, are to the effect that plants are suffering from low water and consequently are only operating about one-third of the normal. Practically no orders are being received from the United States. Buyers there are in a nervous condition, and, as most of the paper mills are running on low production through lack of orders they are only buying from hand to mouth. The consequence is that the Chicoutimi Co.'s production is accumulating at present.

The prospects are reported to be fairly encouraging. The demand for the company's product in England and on the Continent is quite active, so that, with the opening of navigation, provided steamers can be obtained freely, they should have no difficulty in disposing of their output, together with the quantity already accumulated. In the nature of things also the demand from the United States must revive in the near future, as soon as stocks on hand are used up.

No price concessions have been made by the company and earnings in consequence are regarded as satisfactory.

MONARCH KNIT EARNED ABOUT 23½% ON COMMON

Ample Justification in the Report For Dividend Distribution

IN BETTER POSITION

Balance Sheet Shows That Inventories and Bank Loans Have Been Materially Reduced

The action of the directors of the Monarch Knitting Company in declaring a 4 per cent. dividend on the common stock, finds justification in the annual statement for 1918 showing net profits of $351,654 as compared with $202,413 in 1917, and $145,534 in 1916. The common dividend took $51,000 in addition to $53,500 for the preferred, leaving a surplus of $248,154 which increased the total to $671,905. The showing on the common stock after the payment of the preferred dividend was nearly 23½ per cent. Following are comparative figures of profit and loss:

	1918	1917	1916*
Net profits	$351,654	$202,413	$145,534
Dividends	103,500	52,500	48,125
Surplus	$248,154	$149,913	$ 97,409
Prev. surplus	423,751	292,298	194,889
Total surp.	$671,905	$442,212	$292,298

*In 1916 the figures are for 11 months.

The company has invaded the United States market by establishing a factory at Buffalo, which made profits of $43,416 last year, after provision for income, excess and war profits taxes. This profit has been retained in the Buffalo business as working capital.

The balance sheet shows assets of $3,371,313 as compared with $3,751,202 in the previous report. The reduction is largely due to a smaller figure for inventories which were cut from $1,073,903 to $570,480, indicating that the company is in a good position in relation to the market. Current assets at $1,165,528 compare with $1,805,951 a year before. At the same time current liabilities were reduced from $1,279,614 to $619,032, the big change being in reduction of bank loans from $758,800 to $190,00.

SHAREHOLDERS OF G.T.R. ENTITLED TO BETTER DEAL

—Continued from page 1

What $2,500,000 Would Do
(First three years)

Pay guar. div.	$2,500,000
Omit 1st pref. div.	854,210
Omit 2nd pref. div.	632,100
Omit 3rd pref. div.	1,433,611
Omit div. on ord.	....

What $3,000,000 Would Do for Next Five Years

Pay guar. div.	$2,500,000
Pay on 1st pref.	500,000
Leave owing on pref.	354,210
Omit 2nd pref.	632,100
Omit 3rd pref.	1,433,611
Omit ordin. div.	....

What $3,600,000 Would Do
(After eight years)

Pay guar. div.	$2,500,000
Pay 1st pref.	854,210
Pay on 2nd pref.	245,790
Omit on 2nd pref.	386,310
Omit 3rd pref.	1,433,611
Omit ordin. div.	....

Note—And this would be final and maximum settlement.

It is quite true that no dividends were paid by the Grand Trunk for the past two years, but this is an abnormal condition.

In 1916 the G. T. R. paid dividends on the guaranteed and first and second preference stocks, and before the war was making payments regularly on not only the guaranteed, but first, second and third preference stocks, although not on the common.

The G. T. R. Proposition

What of the offer made the Government by the Grand Trunk? This, it is understood, was based on the surplus of 1913, the year before the war (£977,122—$4,885,610) together with an allowance for increased earning powers resulting from the growth of the country. The offer was an annual rental of £997,000 ($4,985,000), with any increase determined after arbitration, or an immediate annual payment of £1,163,000 ($5,881,500), and a waiving of arbitration.

This offer of Mr. Smithers for the G. T. R. would work out as follows for the shareholders:

What G.T.R. Offer Would Do

Pay guar. div.	$2,500,000
Pay 1st pref. div.	854,210
Pay 2nd pref. div.	632,100
Pay 3rd pref. div.	1,433,611
Pay com. stock	461,579
Percentage	.39%

(or about 2-5 of 1 per cent.)

Instead of drawing up an arbitrary basis for the Government offer it surely would constitute an ordinary act of justice to examine the assets of the road, and the actual investment and value, and offer a decent return upon the actual capital assets; this, the Government offer fails to do.

Below are given figures covering earnings, operating expenses, etc., in which it will be seen that the Government offer fails even to do the company the scant justice of covering the net earnings of even the early war years, to say nothing of the average of a year like 1913 or 1912. There is little wonder the shareholders were a unit in rejecting the offer as utterly unfair and as constituting rather a species of confiscation under conditions that utterly reversed the treatment accorded railroads in the United States, England and France.—H.H.B.

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Capital Paid-up - $1,500,000
Reserve - - - $1,600,000

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Grand Trunk Record in Past Six Years

	1918	1917	1916	1915	1914	1913
Total receipts	......	£10,725,483	£9,819,740	£8,292,688	£8,596,768	£9,620,176
Total exp.	......	8,757,485	7,007,159	6,306,162	6,676,876	7,089,524
Net earnings	......	£ 1,967,998	£2,812,581	£1,986,526	£1,919,892	£2,530,652
Taxes	......	245,410	220,868	205,095	165,043	172,286
Oper. rev.	......	£ 1,722,588	£2,591,713	£1,781,431	£1,754,849	£2,358,366
Other inc.	......	546,152	509,520	759,270	682,744	307,233
Gross inc.	......	£ 2,268,740	£3,101,233	£2,540,701	£2,437,593	£2,665,599
Deduct'ns, int., etc.	......	2,242,460	1,898,952	2,030,017	2,012,477	1,688,477
Surp. av. for div	£1,900	£ 26,280	£1,202,281	£ 510,684	£ 425,684	£ 977,122

AMERICAN CYANAMID

A 6 per cent. dividend on American Cyanamid preferred shares is the first payment since May, 1918, when 3 per cent. was paid, being, so the record says, "in full to Dec. 31, 1916." As the stock is a 6 per cent. issue, the 1917 and 1918 dividends have been overdue, and the 6 per cent. just declared would pay the stock up to the end of 1917.

MONTREAL CEMENT

The promoters of the Montreal Portland Cement Co., Limited, which was incorporated with a capital of $2,000,000, state that a site on the Island of Montreal has been purchased and building operations on a large and modern plant will be commenced immediately.

New Issue

$655,000

BRANDRAM-HENDERSON LIMITED

6% CONSOLIDATED MORTGAGE SINKING FUND GOLD BONDS

Dated March 15th, 1919 Due March 15th, 1939

Interest payable semi-annually March 15th and September 15th, principal and interest payable at the Royal Bank of Canada, Montreal, Toronto, Halifax and at the Agency of the said Bank in New York City.

Price 94½ and Interest to Yield 6½%

A descriptive circular of this attractive investment will be sent you upon request.

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MERCANTILE TRUST BUILDING, HAMILTON
C.P.R. BUILDING, - - - - TORONTO

Stock Movements of the Week

Week ending March 27, 1919:

	Ask	Bid	High	Low	Close	Sales	Yield to Mar. 20	Minimum Prices Montreal
Banks—								
Commerce	...	...	205	204	205	78	5.85	185
Dominion	208½	207	208½	208	208	10	5.66	202
Hamilton	185½	184	185⅛	184	184	63	6.48	184
Hochelaga	...	147	147	147	147	14	6.12	140
Imperial	...	203	204	203	203½	56	5.82	185
Merchants	192	...	192½	190	192	302	5.72	167
Molsons	197	196	197	197	197	28	5.58	179⅞
Montreal	214	...	210	210	210	113	5.66	210
Nova Scotia	266	...	272	267	267	27	5.18	248
Royal	208	207	208¼	207	208	41	5.76	208
Standard	209½	209	209½	209	209½	30	6.22	200
Toronto	201	200¼	200½	200½	200½	37	5.97	187
Transportation—								
Barcelona	9⅞	9⅝	10	9¾	9¾	650	....	...
Brazilian	53¼	52¾	54¾	53	53⅛	1,743	....	32
Can. Stshps, com.	44½	44	44½	43	44⅜	1,096	....	39¼
Do., pref.	78	77½	77¾	77¼	77⅝	2,338	8.86	76
Duluth-Superior, com.	33	31	31	31	31	80	4.87	42
Quebec Railway	21	20	21	20	20½	705	....	15
Toronto Railway	47	44	43½	43¼	43½	30	9.09	60
Winnipeg Electric	50	48	48	48	48	90	....	48
Telegraph, Light and Power—								
Bell Telephone	130½	129	130	130	130	55	6.15	130
Consumers Gas	150	...	149½	149½	149½	18	6.66	...
Mackay, com.	74	72	77	72	72	20	7.77	...
Do., pref.	65½	64½	65½	65	65	80	6.15	...
Montreal L., H. Cons.	93	92⅞	93	91	93	3,976	4.44	68½
Shawinigan W. & Pr.	118	117½	117⅞	117½	116	824	5.98	107
Industrials—								
Ames-Holden, pref.	...	76	74	72¾	73	85	....	47
B.C. Fish, com.	49	46	48	47	47	30	10.63	40
Brompton Pulp, com.	58½	...	58½	58¼	58½	90	8.47	39
F. N. Burt, com.	90	86¾	89	88½	89	85	6.81	...
Do., pref.	...	95	95½	95	95	45	7.36	...
Canada Bread, com.	21	19½	20	19¾	20	100	....	...
Do., pref.	84	82	89	88	89	275	8.43	...
Can. Car, com.	31	30	31	31	31	297	....	18½
Do., pref.	...	...	89	87¼	87¼	370	7.95	...
Canada Cement, com.	66	65½	66⅝	65⅛	65½	1,285	9.23	57
Do., pref.	99⅜	99⅛	99	99	99	176	7.07	90
Can. Converters	50¾	50	50½	50	50¼	99	10.00	43
Can. Cottons, com.	74½	...	75	75	75	10	8.00	48½
Do., pref.	81½	81	83	81	81	38	7.31	76
Can. Locomotive, pref.	...	...	90	90	90	5	7.60	...
Can. Gen. Elec., com.	104¼	103¼	104	101½	104	763	7.92	101½
City Dairy, com.	55	52	55	55	55	5	....	...
Do., pref.	...	90	91	90	90	6	7.77	...
Dom. Canners, com.	35	34	34½	34	34¼	130	....	23¾
Do., pref.	83	82½	84	82¼	83	197	8.23	...
Dom. Steel Corp., com.	61¼	60¾	62	60½	60¾	2,388	9.86	52
Dom. Iron, pref.	...	95	96	96	96	10	7.36	88
Dom. Coal, pref.	...	96½	97	97	97	45	7.21	94¼
Dom. Textile, com.	107½	106¾	108	106	106	150	7.40	80¾
Do., pref.	107	106	106½	106½	107	80	6.60	100
Lake of W. Mill., com.	...	...	157	157	157	5	7.59	120⅛
Laurentide	204½	204¼	208¾	204	204½	802	5.82	152
A. Macdonald	24½	24	24½	24¼	24½	306	....	13½
Maple L. Mill., com.	140	139	139½	138	139½	590	7.24	88½
Do., pref.	101	100	101	100	101	301	7.00	...
Montreal Cottons, com.	...	64	65	64	64	30	6.15	50
Do., pref.	108	102	102¾	102¾	102	15	6.86	99½
Monarch Knitt., com.	...	56	56	56	56	87	....	...
Do., pref.	...	...	85	85	85	10	8.23	...
Nat. Steel Car, pref.	55	...	53	53	53	25	12.28	...
N.S. Steel & Coal, com.	51	50	52½	51	51	125	9.80	66
Do., pref.	...	...	105	104½	105	2	7.54	...
Ont. Stl Products, com.	...	...	28	28	28	25	....	22½
Penmans, com.	92	91½	91½	91	91	165	6.52	65
Do., pref.	...	90	91	90½	90½	46	6.66	81⅞
Riordon Pulp, com.	119	118½	118	118	118	25	8.47	117¼
Do., pref.	...	95	95	95	95	113	7.36	92
Wm. A. Rogers, pref.	75	65	65	65	65	5	....	...
Sher-Williams, pref.	...	...	99	99	99	3	7.07	99
Span. R. Pulp, com.	19½	19½	19½	19	19	450	....	13
Do., pref.	78	76	79	77½	77¾	108	....	50
Stl of Canada, com.	63½	62½	65	62½	63¼	2,887	9.52	49½
Do., pref.	94½	93½	94½	94	94½	215	7.44	85¼
Tooke Bros., com.	24	23	25	23½	25	25	....	19
Do., pref.	77	75½	76	76	76	5	9.09	72¼
Toronto Paper	70	67	68½	68½	68½	11	8.69	...
Wabasso Cotton	70	...	70	69½	70	180	8.82	...
Wayagamack, com.	50	...	50	50	50	125	....	50
Woods Mfg., pref.	89	...	90	90	90	2	7.95	86

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DIVIDENDS

THE BANK OF NOVA SCOTIA

Dividend No. 197

NOTICE is hereby given that a Dividend of four per cent. on the Paid-up Capital Stock of this Bank has been declared for the quarter ending March 31st and that the same will be payable on and after Tuesday, the 1st day of April next, at any of the offices of the Bank.

The Stock Transfer Books will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board,

H. A. RICHARDSON,
General Manager.

Halifax, N.S., February 18th, 1919.

PROVINCIAL PAPER MILLS COMPANY, LIMITED

NOTICE OF DIVIDEND

NOTICE IS HEREBY GIVEN that dividends of One and Three-quarters (1¾%) per cent. on the Preferred Stock and One (1%) per cent. on the Common Stock of this Company, have been declared for the current quarter, both payable April 1st, 1919, to shareholders of record at the close of business, March 15th, 1919.

S. F. DUNCAN,
Secretary-Treasurer

Dated Toronto, March 5th, 1919.

Dominion Textile Company Limited

NOTICE OF DIVIDEND

A DIVIDEND of one and three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st MARCH, payable APRIL 15th to shareholders of record MARCH 31st, 1919.

By order of the Board,

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 3rd March, 1919.

Central Canada Loan & Savings Company

QUARTERLY DIVIDEND

Notice is hereby given that a dividend of TWO AND ONE-HALF PER CENT. (2½%) for three months ending March 31st, 1919, at the rate of TEN PER CENT. (10%) per annum, has been declared upon the Capital Stock of this Institution, and the same will be payable at the offices of the Company, Toronto, on and after Tuesday, the 1st day of April, 1919.

The Transfer Books will be closed from the 17th to the 31st of March, both days inclusive.

By order of the Board,

E. R. WOOD,
President.

Woods Manufacturing Company, Limited

DIVIDEND NOTICE

THE regular Quarterly Dividend of One and Three-quarters per cent. (1¾%) on the PREFERRED STOCK of WOODS MANUFACTURING CO., LIMITED, for the Quarter ending March 31st, has been declared, payable April 1st, 1919, to shareholders of record March 24th, 1919.

By order of the Board,

JOHN T. F. KEENE,
Secretary-Treasurer.

CANADIAN COTTONS LIMITED

NOTICE is hereby given that a Quarterly Dividend of One and a Half per cent. (1½%) has been declared on the Preferred Shares of this Company, payable the 4th day of April, 1919, to Shareholders of record the 25th March.

Also that a Quarterly Dividend of One and a Half per cent (1½%) has been declared on the Common Shares of this Company, payable the 4th day of April, 1919, to Shareholders of record the 25th March.

Transfer Books will be closed from 26th March to 3rd April, both dates inclusive.

By order of the Board,

A. BRUCE,
Secretary-Treasurer.

Montreal, March 17th, 1919.

Nova Scotia Steel and Coal Co., Limited

DIVIDEND NOTICE

A DIVIDEND of Two per cent. (2%) on the Preferred Stock and One and One-quarter per cent. (1¼%) on the Ordinary Stock of the Company for quarter ending March 31, 1919, has been declared payable on the 15th of April, 1919, to shareholders of record at the close of business on March 31st, 1919.

By order of the Board,

THOMAS GREEN,
Cashier.

New Glasgow, Nova Scotia,
March Twentieth, 1919.

GENERAL ELECTRIC IS COMING BACK TO A PEACE BASIS

Marine Orders Sustaining Activity During Readjustment

A BIG YEAR IN 1918

Company Which Was One of First in Munitions Field Had Taken Steps Looking to an End of War Orders

One of the first of Canada's industries to enter into munition activities, the Canadian General Electric Company, was also one of the first to realize the temporary nature of such business and to prepare for the period of readjustment. The efficient manner in which the company has been conducted throughout the war period and in meeting the conditions which have followed are reflected in the statement for 1918 which has this week been submitted to the shareholders. Not only did the year's net profits show an increase from $1,135,-596 to $1,436,483, as compared with the previous year, but they were higher than pre-war records. Earnings of $2,013,996 were somewhat lower than $2,051,609 for 1917 but the matter for surprise is rather that the reduction was not much greater in view of the ending of the war time activities. It is significant, too, that while there was an increase in the depreciation allowance at $577,-513, there was no appropriation for amortization on munitions plant and equipment, indicating that such charges had been disposed of in the appropriations totalling $1,025,297 in the two previous years.

After payment of dividends, taking $780,000 as in the previous year, there was a balance of $656,483, which, combined with the amount brought forward, made a total of $1,122,776. Of this sum $600,000 was added to the reserve fund, making a total of $4,600,000 and a combined surplus of $5,122,776. Following are comparative figures of the earnings and surplus accounts:

	1918	1917	1916
Earnings	$2,013,996	$2,051,609	$2,225,912
Deprec.	577,513	524,318	408,888
Reserves	......	393,694	631,603
Net profits ..	$1,436,483	$1,133,596	$1,185,421
Dividends ...	780,000	780,000	779,844
	$ 656,483	$ 353,596	$ 405,577
Undiv. profits	466,293	612,696	707,119
	$1,122,776	$ 966,292	$1,112,696
Transfer to Reserve ..	600,000	500,000	500,000
	$ 522,776	$ 466,292	$ 612,696
Reserve	4,600,000	4,000,000	3,500,000
Surplus	$5,122,776	$4,466,292	$4,112,696

In connection with the surplus account it may be pointed out that the total is more than 50 per cent. of the company's combined preferred and common stock issues, in addition to which the reserve for depreciation of $4,336,182 represents over 35 per cent. of the combined issues. The company has no outstanding bonds, debentures, mortgages or prior liens of any description other than a nominal charge of $22,500 on property purchased on which there is a current mortgage not yet due.

Over 14 Per Cent. on Capital

The profits of $1,436,483 represented 14.3 per cent. on the company's capital, consisting of $2,000,000 preferred and $8,000,000 common stock. The distribution was on the basis of 8 per cent. on the common and 7 per cent. on the preferred. Following are figures showing net, percentage and depreciation appropriations for the past seven years:

		Depreciation	*Net	% on Cap.
1918	....	$577,518	$1,436,483	14.3
1917	....	524,318	1,133,596	11.3
1916	....	408,887	1,185,421	11.8
1915	....	416,222	764,378	7.8
1914	....	......	†723,571	7.2
1913	....	470,933	1,836,309	13.3
1912	....	456,358	1,396,493	13.9

*Net after depreciation and bond interest.

†In 1914 nothing for depreciation was written off.

Meeting New Conditions

In reviewing the company's war activities and referring to future prospects, President Nicholls refers to the output of munitions, which amounted to over $15,000,000 for British and American Governments, and explains how, early in 1918, when the directors foresaw that the end of the war could not long be delayed, new lines of manufacture were looked for to provide orders during the readjustment period. The shortage of tonnage and marine activities attracted attention and orders for marine engines, boilers and other auxiliaries were secured, resulting in bookings for such products to the value of about $5,500,000, of which approximately $4,000,000 was carried forward to 1919.

Reference is also made to the success which has attended the company's venture into the auto accessories field.

Looking to the future, Senator Nicholls states that it is impossible at the moment to make a forecast. In some quarters there is a feeling of optimism and in others an impression that the period of dislocation will be more or less prolonged. The General Electric, however, has orders on hand to keep most departments busy for months, after which it is felt that the outlook shall be less obscured; by early summer it is expected that there will be extensive activities on out-door construction on Government and municipal undertakings of an extensive character.

The Balance Sheet

The company's total assets amount to $21,692,471 as compared with $20,-095,137 in the previous report, an increase which is largely explained by additions to plant during the year and the increased surplus. Plant and equipment additions increased the capital assets from $11,537,190 to $12,299,192. Current assets increased from $8,557,946 to $9,393,278, the items for inventories and accounts receivable being largely responsible; investments and cash on hand were somewhat reduced. The increase in raw materials, work in process and products on hand was from $4,395,469 to $5,280,385, in which connection it is pointed out that adequate reserves have been provided for shrinkage in the value of materials, which, in the case of copper and other metals, has been very considerable; ample allowance has also been made for articles not readily saleable and any goods now obsolete have been put down at scrap value.

In addition to the changes in the reserve funds on the other side of the balance sheet current accounts payable have increased from $1,198,-152 to $1,357,620 and war tax and contingent liabilities from $436,378 to $693,392.

OPERATING COSTS OF N.S. TRAMWAYS

Have Advanced so as to Wipe Out Advantages of Earnings

By Special Representative

HALIFAX.—The annual meeting of the Nova Scotia Tramways and Power Company was held this week. The comparative statement of returns in 1914 and 1918 shows how revenue has increased but how still more rapidly operating expenses have grown. The report shows that despite labor difficulties, the influenza epidemic, which reduced traffic, and daylight saving, which cut demand for lighting currents, the gross earnings show a slight increase over the previous year. Permission being granted by the Board of Public Utilities to increase the price of gas, the directors believe this department will be able to operate with a margin of profit, which was not the condition prior to the granting of the increase. Mention is made of the Board of Public Utilities having ordered additions to rolling stock, and as to extensions and improvements in the present track layout. The report says the prospects for increased business in the various departments of the company's activities are bright.

The comparative statement, 1918 and 1914, is as follows:

	1918	1914
Railway Receipts....	$445,955.06	$319,880.53
Sundry Earnings	418,642.63	260,680.40
Gas and products	134,104.78	64,678.87
Total	$998,702.47	$651,244.80
Operating expenses ..	714,930.59	375,423.64
Bond interest	123,899.94	30,000.00
Sundry expenses	23,896.96	....
Net earnings	$135,974.98	$239,818.16
Dividends	124,644.00	112,000.00
Per cent. operating to income	74.16%	58.62%
Passengers carried ..	10,292,966	7,316,727
Car mileage	1,144,537	1,370,480
Incandescent lamps ..	102,537	78,204
Arc lamps	443	471
Motors, h.p.	4,436	1,442

The Shawinigan Water and Power Company

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the Common Stock of this Company for the quarter ending March 31st, 1919, payable April 10th, 1919, to shareholders of record March 27th, 1919.

By order of the Board,

JAMES WILSON,
Secretary.

Montreal, March 20, 1919.

Abitibi Power and Paper Company, Limited

NOTICE

NOTICE is hereby given that the Annual General Meeting of Shareholders of ABITIBI POWER AND PAPER COMPANY, LIMITED, will be held at the Head Office of the Company, New Sun Life Building, Dominion Square, in the City of Montreal, on Monday, the Seventh day of April, 1919, at the hour of 12 o'clock noon, to receive the Annual Report of the Board of Directors, to elect Directors for the ensuing year, and to transact general business relating to the affairs of the Company.

Dated at Montreal, this Twenty-second day of March, 1919.

L. R. WILSON,
Secretary.

ABITIBI COULD CLEAN UP ARREARS AND PAY COMMON

Excellent Showing For 1918 With Surplus of $511,202 For Year

SALES, $5,650,264

Increase of Over $1,200,000 For Year—Developing Pulp Production — Pay Off Arrears in Reasonable Time

Good news for the preferred shareholders, and therefore, the common shareholders, of the Abitibi Power and Paper Company, is contained in the report of the president, F. H. Anson, for the year 1918 as issued this week. After referring to the successful showing of the company by which net earnings rose from $1,323,001 to $1,643,653, he says: "As a result of these transactions the company goes into the year 1919 in excellent financial position, and hopes that within a reasonable time it will be able to pay off the dividends in arrears on its preferred stock, amounting to 19½ per cent."

For the past two years the company has been paying 7 per cent. on the preferred stock, that is, it has been keeping pace with the current dividends. As matters stand the deferred dividends have been met to April, 1916, leaving less than three years to meet. This position has been the same since the beginning of 1917, but this year there is a much larger surplus, so that the whole of the deferred dividends could be paid off, amounting to $195,000, and still leave a surplus for the year of $246,-202. This in turn would permit of a payment of 4.9 per cent. on the common stock of $5,000,000. The dividend on the common in the light of the past two years' developments now seems reasonably near at hand, and this condition, undoubtedly, has had the strong influence on the recent rise in the common stock from the minimum of 48 to 65-66, the greatest rise of any stock in the same period on the Canadian market.

This position may be illustrated thus:

If All Arrears Were Paid

Surplus, 1918	$511,202
Allow for pref.	70,000
	$441,202
Pay off def. divid.	195,000
Bal. avail. for com.	$246,202
% left for com.	4.9%

Marked Development

The report of the company shows a marked development during the year, and indicates the gradual development out of the construction period. During the year the mills increased their output of groundwood and sulphite pulp very considerably, and this is reflected in the increased earnings. The interference of the Government with the price of newsprint, as has been stated before, has prevented the company developing this end of their activities. The extent of the increased business is seen in the new total of gross sales of $5,650,264 as compared with $4,422,-757, or nearly 25 per cent. The operating expenses, however, increased nearly one-third, from $3,099,756 to $4,006,610, leaving the net showing an increase of a little over $320,000. A generous amount was allowed for depreciation of plant, exhaustion of timber areas, price adjustments, etc., of $663,000, as compared with $565,-000 the year before, after which interest charges, etc., left a balance available for dividends of $511,202, compared with $341,122 one year ago. Out of each of these totals came the dividend payments for the year or out of the surplus on hand, if this way of stating the case be preferred. The surplus carried forward now amounts to $1,073,249, as compared with $632,047 one year ago, and if all the deferred dividends were met there still would be a surplus of nearly $900,000 remaining. If a single year's dividend be allowed on preferred, the balance would amount to 8.82 per cent. on the common.

The items in the profit and loss account for the past two years compare as follows:

Profit and Loss Account

Gross sales	$5,650,264	$4,422,757
Oper. exp.	4,006,610	3,099,756
Net earnings	$1,643,653	$1,323,001
Less deprec., etc.	663,419	565,081
Less interest, etc.	469,031	416,796
Surplus for year	$ 511,202	$ 341,123
Surplus on hand	632,047	360,924
	$1,143,249	$ 702,047
Less pref. div.	70,000	70,000
Surplus forward	$1,073,249	$ 632,047

The balance sheet for the year shows a better position, not a surplus of liquid assets over current liabilities, but this could hardly be expected in a company where construction played such a large and recent part in the year's operations. The president states that in the year $498,000 of the company's bank indebtedness had been liquidated through the sale of additional first mortgage bonds, so that the company's net working capital was in excess of $1,200,000. "Payment of $1,500,000 of convertible 6 per cent. notes due August 1, 1919," he adds, "has been provided for by the sale of an equal amount of first mortgage bonds."

CANADIAN N. W. LAND

Volume of Sales Showed an Increase During Year

At the annual meeting of the Canadian North-West Land Company, Sir Edmund Osler, the president presented a report which showed that the sales of the company's farm lands in 1918 had increased as compared with the previous year, being 54,635.33 acres for $835,637.51 as compared with 32,312.23 acres for $494,037.51 in 1917. The average price obtained in 1918 was $15.29 per acre, the same as for the year 1917. Townsite sales showed an increase as compared with the preceding year, but Sir Edmund pointed out that the liquidation of the company's townsite holdings is now approaching completion.

Following the custom adopted by the directors, the total amount of the past year's farm land sales were transferred to profit and loss account, which now stands at $2,298,978.34.

N.S. UNDERWEAR MAY ISSUE BONDS

Shareholders Are Meeting This Week to Consider a $300,000 Proposition

By Special Representative

HALIFAX.—The directors of Nova Scotia Underwear, Ltd., have approved of a proposal to make an issue of $300,000 bonds secured by a mortgage on the company's property at Windsor and a meeting of shareholders was called to consider the matter. In a circular to the shareholders President John E. Wood says:

During seven years of successful operation, since the incorporation of the company in 1912, constant additions have been made to the plant in the way of increased machinery to meet growing demands for the manufactured goods. Particularly was this the case at the time of the fire, in connection with the opening of the new and greatly enlarged mill at Windsor. War orders also have called for additional equipment, although no machinery has been installed in that connection which will not be of use for the ordinary purposes of the company.

The proposed bond issue is necessary to replace the working capital which has been so transformed into fixed assets, and to provide additional plant and working capital wherewith to materially broaden the line of production, thus removing the serious handicap of the past in that the energies of the company have been directed during the whole of the year to manufacture and sale for one season's consumption.

TO DECIDE UPON B.C. ELECTRIC FARES

Surplus Income Above Six-for-a-Quarter Basis May Go to Hospital

VANCOUVER. —Last July when the motormen and conductors of the British Columbia Electric Railway went out on strike, the company made a settlement with its employees on the understanding that it might be empowered to collect a six cent fare on its Vancouver city lines for a period of nine months as an experiment. This concession was granted the company amid a storm of protest by the citizens in general, but Mayor Gale announced that he had the assurance of the attorney-general to the effect that a Public Utilities Commission would be appointed to pass on all public utilities in future, that is as to disagreements between employer and employed, and rates. While the commission has not yet been named, the draft of the Public Utilities Bill has been introduced to the members of the Legislature in Victoria and before the end of the present week, it will probably become law.

The bill provides that all street railway fares as at present existing are to remain as at present until changed by the board. Special exception is made in the case of Vancouver where the differences between a six for a quarter cent fare and six cents straight is to be placed in a trust fund and if the board upon investigation finds that the company is right in charging six cents, the fund will be turned over to the B. C. Electric, but if the lesser rate is supported, then the fund will be turned over to some charitable institution, probably the Vancouver General Hospital.

GRANBY CONSOLIDATED

Granby Consolidated, by declaring a quarterly dividend of 1¼ per cent., payable May 1 to holders of record April 18, has cut its annual rate from 10 to 5 per cent. per annum. The action taken is attributed to the unsettled condition of the copper industry.

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3

Investors' Information Bureau

Any subscriber to THE POST may write the Investors' Information Bureau for special information on any Canadian security, or other financial matter in which he may be interested. Inquiries are treated confidentially, and answered by mail. This service is free to subscribers, but inquirers should enclose stamp for reply.

FEWER ORDERS HURT DIVIDEND FOR WAYAGAMACK

Chemical Pulp Mill is Closed For Lack of Business

PROTECTING BONDS

Kraft Paper End Keeps Up, While Pulp Has Sagged—New Paper Mill May Be Built to Ensure Market

Some concern has been felt among investors in the bonds of the Wayagamack Pulp and Paper Company at the rather wide-open character of the Trust Deed relating to the issue of additional bonds. According to the terms of the deed of 1911, there is no provision to prevent the directors, if they be so minded, from issuing the balance of the $5,000,000 of bonds authorized, that is $1,500,000. Up to the present there have been issued bonds amounting to $3,500,000, of which $105,000 have been retired, leaving the amount outstanding $3,395,000. It has been suggested that some provision should be made whereby the directors would agree not to issue the balance of the bonds until the surplus earnings reach a certain amount in comparison with the bond interest, and also to provide that the value of the betterments shall exceed the amount of the bond issue by a certain amount, as is sometimes done. This change may be acceded to by the Board of the company, thus providing an additional protection to the bondholders.

The dividend policy of the company becomes an interesting one at this time. Some months ago it was anticipated with confidence that there would be a dividend of at least 5 per cent. declared by the spring, and such probably would have been the case, THE FINANCIAL POST understands, if business had continued as it was before the armistice was signed, when the chemical pulp plant was operating with all the orders it could conveniently accommodate. Just afterwards, however, the pulp end of Wayagamack business fell off to a minimum, and for a short time now the pulp mill has been closed, and may not re-open for some little time. This is due to the fact that there is no demand for this kind of pulp from the United States, and several mills of a similar kind in Canada have been closed also. The kraft plant of the company, which uses about 50 tons a day of the pulp the company makes, is working, however, and shipping to England and France, and other countries, including Australia, as well as selling its output in Canada. But this kraft paper mill of the company can take barely one-third of the pulp output of the company, and the pulp market fading away this had to close down.

Looking to Future

There is a feeling on the part of some of those closely associated with the company that its future success in a large measure depends on the kraft paper production being large enough to take care of practically all the pulp produced, so that the company would not be dependent on outside pulp markets at all. If this were done a large amount of capital would be required to add to the present three machines of the company, which in turn would delay the payment of a dividend. Others however of the shareholders are becoming insistent on some return coming to them shortly, and this may help in a dividend declaration. The best opinion THE FINANCIAL POST could secure, however, is against the likelihood of a dividend for some time.

The company, since the change that was made in the system of depreciation, etc., one year or so ago, has got down to rock bottom with its statement, and ample provision is being made for depletion of timber areas, and other accounts that before were not given sufficient allowance.

After one or two rises, the first reaching 55, the stock now rests again on the minimum price of 50.

SOUTHERN POWER

The earnings statement of the Southern Canada Power Company for February shows gross earnings amounting to $49,975 against $39,326 for the same month in 1918, an increase of $10,648. Operating expenses and purchased power totalled $25,967, an increase of $4,876, and net earnings at $24,008 show a gain of $5,772.

For the five months ending with February, the gross amounted to $247,624, a gain of $52,764, while net earnings at $116,814 showed a gain of $28,710.

NATIONAL STEEL CAR

The rise in common of this security has been temporarily halted, and a fractional reaction has been noticed in several sales. Preferred which participated in the rally to the extent of going from around 80 to as high as 59, has also eased off and last sales were at 58.

Officials of the company report a very large demand for the special steel trucks they commenced manufacturing just three years ago, and a satisfactory profit is expected from this source.

THE BURT DIVIDEND

Increase in Rate to Meet Changed Value of Money

The strength which has been displayed since the first of the year in the market for Burt preferred was justified this week in the action taken at the annual meeting when the dividend rate was advanced from a 6 per cent. to an 8 per cent. basis. Despite this increased return to the shareholders and the fact that the report was the best in the history of the company, the proceedings were of a routine character only and passed off very quietly. Officers were all re-elected.

It is explained to THE FINANCIAL POST that the deciding factor in the dividend policy adopted was the fact that 8 per cent. to-day is no more than 6 per cent. when that rate was struck and as the company is in a position to do so it was felt that the enlarged distribution was only fair to the shareholders.

ACADIA SUGAR SOLD SITE AND PAID OFF BONDS

Realized $263,000 on Sale of the Richmond Property

HALIFAX—That $263,000 had been paid off on the bonds of the Acadia Sugar Refining Company, with proceeds of the sale of the company's site at Richmond to enable an extension of the tracks of the C.N.R. at Halifax to be made and partly also to make room for the Halifax Shipyards, Ltd., was a statement given to the shareholders at the annual meeting of the company. THE FINANCIAL POST has already given the points of the director's statement as taken from the advance report. H. R. Silver, who was speaking on behalf of the directors, said this was a fair market value.

The company has a claim for loss by the explosion which has not yet been settled and which cannot be, as THE FINANCIAL POST has pointed out, until the Relief Commission finds itself in sufficient funds. So far relief only has been given—nothing having been done for restitution of corporations that lost their property or had it damaged. In the case of the Acadia Sugar Refinery, their Richmond plant was absolutely wiped out. No statement was made as to the amount of the claim, but it would probably be not less than $300,000.

Future Uncertain

In referring to the outlook of the sugar refining industry Mr. Silver said this was a hard matter to speak about. The Canada Food Board was supplying the raw sugar at a fixed price and it was up to the company to make a profit. The sugar house, he said, was surpassed by none in Canada in point of efficiency and he was confident that the financial results would be satisfactory. At present the company is refining 5,000 tons for the British Sugar Commission. For this the company were simply paid for the work they did. An advantage of such an order was that it kept the works more nearly occupied up to capacity and it is capacity operation that pays.

The company is a long way from being out of its financial difficulties, the loans on bonds and current from the bank being well on for $3,000,000, but the past year's operations were a reversal of the losses for a series of years in the past, the net profit being $221,584.

G. T. R. HAS HEAVY GAINS

Increased Earnings in Third Week of March 38.8 Per Cent.

The traffic earnings of the three Canadian railway systems for the third week of March amounted to $5,471,064, an increase of only 8.7 per cent. over one year ago, in spite of very heavy freight rate increases this year. The G. T. R. showed 38.8 per cent. gain, but the C. P. R., a decrease of $14,000. The figures compare as follows:

	1919	Change	P.C.
C. P. R.	$2,832,000—	$ 14,000—	.5
G. P. R.	1,235,013+	341,209+	38.8
C. N. R.	1,404,051+	111,540+	8.6
	$5,471,064+	$438,749+	8.7

DOMINION STEEL

The month of March has witnessed brisk selling of Iron, several lots of fair size being disposed of. There seems to be a feeling, as reported last week, that the president, Mark Workman, has met with some degree of success in getting the boats of the Steel Corporation released in Britain.

These boats were mainly in the coal trade on the St. Lawrence route, and President Workman represented that the return of the boats was necessary if the company was to maintain the coal trade of Canada.

Construction of the new power house has been started by the Foundation Co. The second battery of coke ovens are being made ready for the first charge about the first of April. It is also the intention of the company to build a new power house at Wabana. The output of iron ore there is expected to exceed 800,000 tons this season.

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LONDON
Smoking Mixture

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F. N. BURT COMPANY, LIMITED

Report of the Directors to the Shareholders for the Year Ended December 31, 1918

The Directors present to the Shareholders their Tenth Annual Report with the accompanying statement of Assets and Liabilities as of December 31st, 1918:

The Balance at Credit of Profit and Loss Account, December 31st, 1917, was	$272,863.76	
Profits for the year were	470,376.84	
		$743,240.60

The Appropriations were as follows:

Transferred to Realty and Plant Reserve Account	$120,000.00	
Transferred to Reserve for Federal Taxes	37,306.16	
Written off Patents	25,886.76	
Dividends on Preference Stock, Nos. 34, 35, 36 and 37, at the rate of 7% per annum	138,264.00	
Dividends on Common Stock, Nos. 33, 34, 35 and 36, at the rate of 6% per annum	45,000.00	
		$366,456.92
Balance to carry forward to 1919		$376,783.68

The profits exceed those of the previous year by $100,377.82. After deducting the transfers to Reserves, the amount written off Patents account, and dividend payments on the Preference and Common shares, the balance in Profit and Loss account has been increased by $103,919.92, and now stands at $376,783.68.

This balance is subject to deduction of the United States Excess Profits Tax, on the 1918 earnings of the Buffalo business, the amount of which cannot be ascertained as yet. A Reserve of $40,000.00 has been set up to provide for income taxes, both United States and Canadian.

By Order of the Board,
S. J. MOORE,
President.

Statement of Assets and Liabilities December 31, 1918.

ASSETS

Real Estate and Buildings		$ 721,806.20	
Plant, Machinery and Equipment		1,145,381.94	
Investments in Other Companies		46,902.47	
Patents and Goodwill		871,513.98	
			$2,785,604.59
Merchandise		$ 737,914.34	
Prepaid Expense		85,411.60	
Accounts and Bills Receivable		520,122.44	
Liberty Bonds, War Savings Stamps and payments on Victory Bonds		33,340.95	
Cash		125,942.38	
			1,502,731.71
			$4,288,336.30

LIABILITIES

Capital Stock Issued:			
Preference Stock		$1,975,200.00	
Common Stock		750,000.00	
			$2,725,200.00
Dividends payable January 2, 1919:			
Dividend on Preference Stock, No. 37	$34,566.00		
Dividend on Common Stock, No. 36	11,250.00		
		$ 45,816.00	
Accounts and Bills Payable		701,743.57	
			$ 747,559.57
Mortgage assumed under purchase of property			25,000.00
Reserve for Federal Taxes		$ 40,000.00	
Dominion Paper Box Reserve		29,185.00	
Realty and Plant Reserve		344,608.05	
Profit and Loss Account Balance		376,783.68*	
			$ 790,576.73
			$4,288,336.30

*Subject to United States Excess Profits Tax on 1918 earnings.

AUDITORS' CERTIFICATE.

We have audited the accounts of F. N. Burt Company, Limited, for the year ending 31st December, 1918, and we certify that in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Company's affairs according to the best of our information and the explanations given us and as shown by the books of the Company.

We have received all the information and the explanations we have required.

(Signed) CLARKSON, GORDON & DILWORTH,
Chartered Accountants.

At the Tenth Annual General Meeting of the shareholders, held on the 24th of March, 1919, the President, Mr. S. J. Moore, reviewed the operations of the Company.

The Board of Directors and Officers were re-elected.

THE·INK·FOR·ALL·PEOPLES
·SHIP ANYWHERE·ANYTIME· ANY QUANTITY BY MAIL·
ROYAL INK POWDER
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From Your Retailer or Send for Samples—
Best for Fountain Pen Use. Sample Quart, Blue Black, 50 cts. Why Pay More?
ROYAL INK COMPANY
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WHEN you cash your Interest Coupons, buy War-Savings Stamps with the money and make your interest earn interest. W-S.S. costs $4.02 during March.

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SIR HERBERT B. AMES, Chairman

CAMPBELL SWEENY, Vancouver | W. M. BIRKS, Montreal
H. W. WOOD, Calgary | RENE T. LECLERC, Montreal
HON. GEO. A. BELL, Regina | HON. CYRILLE DELAGE, Quebec
J. B. MONK, Winnipeg | SIR J. DOUGLAS HAZEN, St. John
GEO. M. REID, London | W. A. BLACK, Halifax
W. K. GEORGE, Toronto | HON. MURDOCK McKINNON, Charlottetown
SIR GEORGE BURN, Ottawa | TOM MOORE, Ottawa

DR. J. H. PUTMAN, Ottawa 84

ESTABLISHED 1875

IMPERIAL BANK OF CANADA

CAPITAL PAID UP $7,000,000 RESERVE FUND $7,000,000
PELEG HOWLAND, President W. MOFFAT, General Manager

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With our chain of 560 Branches throughout Canada, Newfoundland, the West Indies, Central and South America, we offer a complete banking service to exporters, importers, manufacturers and others wishing to extend their business in these countries. Trade enquiries are solicited. Consult our local Manager or write direct to our FOREIGN DEPARTMENT, MONTREAL, QUE.

CAPITAL PAID UP & RESERVES - - $30,000,000
TOTAL ASSETS OVER - - - - $420,000,000

THE BANK OF NOVA SCOTIA

INCORPORATED 1832

CAPITAL, - - $ 6,500,000
RESERVE, - - 12,000,000
TOTAL ASSETS, over 130,000,000

HEAD OFFICE, HALIFAX

BOARD OF DIRECTORS:

Charles Archibald, President
G. S. Campbell and J. Walter Allison, Vice-Presidents
John Y. Payzant | Hector McInnes
Hon. N. Curry | James Manchester
W. W. White, M.D. | S. J. Moore
W. D. Ross | Hon. M. C. Grant

GENERAL MANAGER'S OFFICE, TORONTO

H. A. Richardson, General Manager. J. A. McLeod, Asst. General Manager.

A general banking business transacted. Letters of Credit issued, drafts bought and sold, payable in all parts of the world. Savings Deposits opened by deposit of $1 or over; interest added half yearly.

GEO. O. MERSON & COMPANY
CHARTERED ACCOUNTANTS
FACTORY PRODUCTION RECORDS AND COST ACCOUNTING
LUMSDEN BUILDING
TORONTO

MONEY BANKING AND EXCHANGE

BANK CLEARINGS ARE IMPROVED OVER LAST WEEK

Seven Cities Out of Twenty-six Show Lower Returns Than Last Year

DOMINION GAINS 12.7%

In the East the Gain is 27.3%, While in the West There is a Falling Off of 18.5 Per Cent.

Bank clearing returns from twenty-six cities reporting for week ending Thursday last, totalled $253,457,276, against $245,760,530 for the previous week and $224,851,929 for the corresponding period in 1918. The gain over last year is $28,605,347. Seven cities in the West show lower returns, while in the East Brantford was the only city to show a falling off. The total in the East is $195,411,369, a gain of $41,827,144, and in the West the total at $58,045,907 shows a decrease of $13,221,797. Montreal with clearings amounting to $100,572,938, shows a gain of 47.2 per cent., and Toronto with a total of $68,497,648, reports an increase of 10.7 per cent. Winnipeg reports a falling off of $13,601,234, or 32.2 per cent. Following are comparative figures for the week:

WEEKLY BANK CLEARINGS
(In comparison with same week last year)

Eastern Cities	Mar. 27, '19	Change	%
Montreal . . .	$ 100,572,938	+$32,244,163	47.2
Toronto . . .	68,497,648	+ 6,616,169	10.7
Ottawa . . .	6,227,892	+ 1,392,027	28.8
Hamilton . .	4,948,833	+ 31,803	.6
Quebec . . .	4,077,274	+ 483,459	13.4
Halifax . . .	3,490,685	+ 493,048	16.4
London . . .	2,250,948	+ 215,178	10.5
St. John . . .	2,239,584	+ 208,906	10.2
Brantford . .	816,501	— 204,041	20.0
Peterboro . .	672,791	+ 100,004	17.5
Sherbrooke . .	943,710	+ 100,948	11.9
Kitchener . .	672,565	+ 145,480	27.9
Total, East . .	$ 195,411,369	+$41,827,144	27.3
Windsor . . .	1,003,460		

Western Cities	Mar. 27, '19	Change	%
Winnipeg . . .	$ 28,685,050	—$13,601,234	32.2
Vancouver . .	10,634,746	+ 1,511,3[illegible]	16.5
Calgary . . .	5,342,012	— 697,295	11.5
Edmonton . .	3,203,035	+ 101,163	3.2
Victoria . . .	1,946,321	+ 249,203	14.7
Regina . . .	2,709,838	— 252,987	8.5
Saskatoon . .	1,573,069	— 115,925	6.8
Moose Jaw . .	1,237,064	+ 136,358	12.3
Ft. William . .	504,165	— 15,155	2.9
Brandon . . .	588,580	+ 26,278	4.6
Lethbridge . .	471,322	— 506,210	52.0
N. Westminster	446,145	+ 67,186	17.7
Medicine Hat .	367,561	— 125,464	25.4
Prince Albert .	336,999	+ 922	.2
Total, West . .	$ 58,045,907	—$13,221,797	18.5
Grd. Total . . .	$ 253,457,276	+$28,605,347	12.7
Yr. to Date .	$3,125,210,255	+ 407,007,413	14.9

N.Y. FUNDS GO TO HIGH PREMIUM

Reflecting Further Break in Sterling Exchange Rate Rises Above 2½ Per Cent.

With sterling exchange breaking ten points during the week from 4.70 to 4.60, the rate on New York funds has been correspondingly inflated, since Canadian transactions in sterling must be carried on through the New York market. From around 2 per cent. a week ago, the rate advanced to a high of 2 21-32 per cent. on Thursday. Yesterday the market was a little heavier and funds were obtainable at noon at 2 9-16 per cent. The course of the market has been roughly as follows:

March 21—Open 2 1-16 to the buyer; sold at 2 3-32 to the buyer.

March 22—Open 2 3-32 bid; sold at 2 3-32 to the seller and closed at 2⅛ to the seller.

March 24—Opened 2⅛ bid; rose to 2¼ to the buyer bid; sells at 2 3-16 to the buyer.

March 25—Opened 2¼ to the seller; rose to 2 9-32, 2 5-16, 2⅜, 2 13-32 to the buyer and closed 2 7-16 to buyer and seller.

March 26—Opened 2½ to buyer; then 2½ to seller; 2 17-32 to seller; 2 9-16 to buyer and seller and closed in Montreal at 2 19-32 bid.

March 27—Opened 2⅝ to buyer and seller; sold up to 2 21-32 to seller and offered at 2⅝ to seller at close.

March 28—Opened 2⅝ to seller offered and offered at 2 9-16 at noon without buyers.

Sterling exchange has been pretty badly demoralized. Quotations on demand have been largely nominal, while cables have dropped as low as 4.60. The movement has been the natural sequence of the removal of support announced last week. The course of sterling cables has been as follows:

March 21—Cables opened at 4.69½, sold up to 4.71 and closed 4.70½.

March 22—Opened at 4.61 and closed 4.64-4.65.

March 24—Opened at 4.63-4.66 and closed 4.63 bid.

March 25—Opened at 4.63-4.64 and closed 4.61-4.62 nominal.

March 26—Opened at 4.62½ and closed 4.62⅜.

March 27—Opened 4.62 nominals and closed 4.60.

March 28—Sold at 4.60; offered down to 4.59¼.

As for francs, French exchange has also been very weak, and yesterday 6.00 was bid for cables, representing a decline of over 25 cents for the week. Opening quotes were:

		Demand	Cables
March	21	5.75	5.73
"	22	5.74	5.73
"	24	5.79	5.78
"	25	5.83	5.81
"	26	5.84	5.82
"	27	...	5.94
"	28	5.97	5.96

The situation will have an interesting effect on trade relations. In the case of Canada and the United States, exports will be encouraged and imports discouraged. On the other hand as between Canada and the Mother Country, tendencies will be reversed and it will be easier to buy from than to sell to Great Britain. The position, however, will be somewhat complicated by the intermediate position of the United States.

ROYAL

C. C. Pineo has been appointed supervisor of the new branches of the Royal Bank of Canada, which are being established in Brazil, the Argentine Republic and Uruguay. Mr. Pineo was trained in the service of the Royal Bank of Canada, but about four years ago left that institution to assume the direction of the branches of the National City Bank, of New York in Brazil. He will now return to the Royal Bank of Canada.

The Royal Bank of Canada has opened a branch at Midland, which, for the time being, will be under the supervision of L. P. Brandon, the manager of the Port McNicoll branch.

TORONTO

A branch of the Bank of Toronto has been established at Neelin, Man., while a branch has also been opened at Athens.

STANDARD

A branch of the Standard Bank of Canada has been opened at Athens.

MERCHANTS

A branch of the Merchants Bank has been opened in West Kildonan.

MOLSONS

T. S. Woods, for the past eight years manager of the Dutton branch of the Molsons Bank, has been transferred to Exeter. S. Howell, manager of the branch at Highgate, will succeed Mr. Woods at the Dutton branch.

MONTREAL

L. F. Ratchford, of the Amherst branch of the Bank of Montreal, has been transferred to the branch at Glace Bay as teller.

COMMERCE

A branch of the Canadian Bank of Commerce has been opened at Coniston, Ont., and will be operated as a sub-agency to the Sudbury branch.

A branch of the Bank of Commerce has been opened at Yarmouth, N.S., with R. M. Watson in charge, also a branch at Brighton, Ont., with R. Y. Buglass in charge.

S. H. Bray, manager of the Crossfield branch of the Bank of Commerce, has been transferred to Star City, Sask., while F. L. Watters, of the Lethbridge branch, has been transferred to Crossfield.

HAMILTON

The Bank of Hamilton has reopened its east end branch at Brantford in charge of A. T. Hemsworth, who has been appointed acountant with authority to sign as pro-manager. This branch is a sub-branch of the bank's Brantford office, of which C. F. Laing is manager.

A branch of the Bank of Hamilton has been opened at Armada, Alta.

OTTAWA

C. M. C. Brunton, for the past three and a half years manager of the Sudbury branch of the Bank of Ottawa, has been transferred to Arnprior to take over the management of the combined branches of the Bank of Ottawa and Bank of Nova Scotia there. The Arnprior branch of the Bank of Ottawa was the first opened by that institution more than forty years ago, and being merged now with the Bank of Nova Scotia makes one of the most important branch banks in the eastern part of the province.

THE MENACE OF CONFISCATORY LEGISLATION

Continued from page 1

payer. The changed condition of the financial markets may enable these provinces to reduce to a certain extent the annual deficit which hitherto has faced them. It may even encourage them to publish fair and candid statements regarding the operations of these ventures.

There is apparently an ample supply of money for investment in Canada. The sharp advance in the price of Government and municipal bonds since the armistice is evidence of that fact. It is worthy of note that Canadian provincial and municipal bonds to-day command a price which yields a lower return than that to be derived from the present issues of the national war bonds of Great Britain.

Outlook for British Capital

For this and other reasons, it is unlikely that for some time to come, Canada can expect any renewal of the inflow of British money. The Treasury Board of Great Britain has declined to repeal its order of January, 1915, whereby the export of capital was forbidden. Once that restriction is removed and the national needs in the money markets satisfied, we are assured that Great Britain will again favor this country as a field for investment.

*From his address to the annual meeting of the Canadian Mortgage and Investments Association.

THE INCREASE IN CURRENT LOANS STILL CONTINUES

Expansion $15,000,000 For Month and $236,000,000 For Year

DEPOSITS REDUCED

Savings Were Again Higher in February, But There Was a Big Decline in Demand During Month

A decline of $57,000,000 in demand deposits appears to be the outstanding feature of the February bank statement and the important factor in a reduction of $28,000,000 in gross assets. At the same time there was a further increase of $28,000,000 in notice or savings deposits, the reduction in all deposits being about $29,000,000.

The statement of detailed assets indicates that immediately available assets were reduced in effecting the necessary readjustments rather than credits to current trade and commerce. In fact, in this department, according to the analysis of THE FINANCIAL POST, there was a reduction of $45,800,000. One item of $46,800,000 in the reduction of holdings of Government securities, and indicating the discharge of war-time treasury bills in itself accounts for this change, but there were some other important changes, including an increase of $15,100,000 in call loans abroad—a reflection, evidently of greater stock market activity in New York—a reduction of $10,300,000 holdings of Dominion notes, a reduction of $1,900,000 of gold notes, and a reduction of $1,000,000 in balances in foreign banks.

Current Loans Still Higher

That there was no restriction in advances to business is indicated by the fact that current loans showed an increase of $14,900,000, while loans abroad were higher by $4,000,000; municipal loans were also higher by $4,100,000. On the other hand there was a reduction of $8,400,000 in Canadian call loans.

Taking the figures for February, 1917, the outstanding feature is the great expansion of current loans, which have increased from $859,000,000 to $1,095,000,000, or nearly $236,000,000.

During the year assets have expanded by $332,000,000. Other items in addition to current loans include: Dominion notes higher by $12,200,000, gold notes higher by $28,900,000, loans abroad higher by $20,900,000, and holdings of public securities higher by $17,165,000. Municipal loans were lower by $6,700,000, holdings of railway securities lower by $4,000,000, call loans abroad reduced by $4,200,000 and balances in foreign banks by $3,300,000.

On the other side of the big increases were in savings deposits, which were higher by $109,000,000, and liabilities to the Dominion Government — evidently reflecting advances of legals—increased by $168,000,000. Below are comparative figures.

ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter 1727
Paid-up Capital ....£ 2,000,000
Rest and Undivided Profits.. 1,030,470
Deposits 29,202,380

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Cashier and Gen. Mgr., A. K. Wright.
Secretary, J. B. Adshead.

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Wm. Wallace, Manager.

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A. Dennistoun, Agent.

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VANCOUVER LIKES LOCAL BANK BOARD

Inauguration of Union Bank is Popular on Pacific Coast

The anouncement that the Union Bank will establish a local advisory board at Vancouver, the members of which will pass upon all matters not pertaining to questions of policy has been greeted with the greatest satisfaction in the Pacific city, according to THE FINANCIAL POST'S correspondent. The step, which has been inaugurated following a visit to the coast by President John Galt and R. T. Riley, one of the directors, will mean that decisions regarding local loans will be made on the ground and at once, without having to submit details to head office for consideration.

The move may be regarded as a forward one in Canadian banking and one which should go far to offset that dissatisfaction with the head office control which has been an important factor in creating that unpopularity of the banks with the public which has been referred to on several occasions on this page. Whether or not there is justification in fact, the impression prevails in many parts of the country, and particularly in Western Canada, that the banks are manipulated for the benefit of the Eastern interests to the disadvantage of the Western clients.—J.W.T.

BANK OF ENGLAND

London, March 27.—The weekly statement of the Bank of England shows the following changes:

Total reserve decreased........	£ 604,000
Circulation increased	1,441,000
Bullion increased	837,726
Other securities decreased....	1,393,000
Public deposits decreased......	1,588,000
Other deposits decreased	75,000
Note reserve decreased........	707,000
Government securities dec.....	343,000

The proportion of the bank's reserve to liability this week is 19.71 per cent.; last week it was 19.90 per cent. Rate of discount, 5 per cent.

Analysis of Bank Statement For February

ASSETS

	Feb., 1919	Jan., 1919	Change in month	Feb., 1918	Change in year
Immediately Available Liquid Resources					
1—Specie	$ 80,178,615	$ 80,563,677	— $ 385,062	$ 80,003,942	+ $ 174,673
2—Dom. notes . .	185,932,418	196,323,477	— 10,391,059	173,701,126	+ 12,231,292
4—Gold notes . .	103,750,000	105,650,000	— 1,900,000	74,770,000	+ 28,980,000
9—U.K. banks. .	9,250,181	11,821,623	— 2,571,442	11,109,247	— 1,859,066
10—For. banks . .	42,595,838	41,501,475	+ 1,094,363	45,946,642	— 3,350,804
11—Gov. sec. .	112,160,131	159,039,874	— 46,879,743	113,725,526	— 1,565,395
15—Call loans abd	155,983,681	140,819,656	+ 15,164,025	160,239,494	— 4,255,813
	$ 689,850,864	$ 735,719,782	— $45,868,918	$ 659,495,977	+ $ 30,354,887
Loans and Securities Other Than Those of Canadian Government					
12—Pub. sec. . .	$ 259,422,456	$ 259,462,077	— $ 39,621	$ 242,256,480	+ $ 17,165,976
13—Rly. sec. . . .	53,416,524	53,546,118	— 129,594	57,459,593	— 4,043,069
14—Can. Call . . .	79,154,121	87,598,427	— 8,444,306	76,722,163	+ 2,431,958
16—Current loans.	1,095,301,791	1,080,340,861	+ 14,960,930	859,363,147	+ 235,938,644
17—Loans abroad.	130,590,063	126,513,338	+ 4,076,725	109,678,140	+ 20,911,923
19—Prov. loans .	6,159,859	5,410,289	+ 749,570	6,730,193	— 570,334
20—Municipal . . .	36,830,183	32,640,198	+ 4,189,985	43,535,628	— 6,705,445
	$1,660,874,997	$1,645,511,308	+ $15,363,689	$1,395,745,344	+ $265,129,653
Other Assets					
21—Over. debts .	$ 4,230,608	$ 3,905,593	+ $ 325,015	$ 4,641,439	— $ 410,831
22—Real estate . .	6,031,773	5,921,594	+ 110,179	5,524,121	+ 507,652
23—Mortgages . .	2,190,930	2,244,471	— 53,541	1,784,900	+ 406,030
24—Premises	53,005,275	52,801,507	+ 203,768	51,897,132	+ 1,108,143
25—Lets. of cred.	31,201,120	33,693,463	— 2,492,343	20,124,513	+ 11,076,607
26—Other assets. .	2,055,243	2,063,978	— 8,735	2,444,472	— 389,229
	$ 98,714,949	$ 100,630,606	— $ 1,915,657	$ 86,416,577	+ $ 12,298,372
Total	$2,449,440,810	$2,481,861,696	— $32,420,886	$2,141,657,898	+ $307,782,912
3—Note cir. dep.	5,860,927	5,860,976	— 49	5,772,350	+ 88,577
5-8—Int. bk. bal. .	119,889,754	115,552,911	+ 4,336,843	95,125,350	+ 24,764,404
Gross	$2,575,191,491	$2,603,275,583	— $28,084,092	$2,242,555,598	+ $332,635,893
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
1—Circulation . .	$ 204,779,750	$ 203,424,472	+ $ 1,355,278	$ 176,369,296	+ $ 28,410,454
2—Dom. Govt. . .	238,256,091	236,119,588	+ 2,136,503	69,419,615	+ 168,836,476
3—Prov. Govt. . .	20,800,869	21,238,779	— 437,910	20,754,135	+ 46,674
Deposits by Public					
4—Demand dep. .	$ 566,775,434	$ 623,919,410	— $57,143,976	$ 569,266,642	— $ 2,491,208
5—Savings dep. .	1,018,184,513	990,000,085	+ 28,184,427	908,822,988	+ 109,361,524
Total Can. . .	$1,584,959,946	$1,613,919,495	— $28,959,549	$1,478,089,630	+ $106,870,316
6—For. dep. . . .	200,560,308	203,015,797	— 2,455,489	183,222,302	+ 17,338,006
Due to Banks Abroad, Etc.					
9—U. Kingdom . .	$ 3,413,395	$ 4,615,499	— $ 1,202,104	$ 2,753,356	+ $ 660,039
10—Foreign	23,953,348	26,079,366	— 2,126,018	24,966,099	— 1,012,751
11—Bills pay. . .	1,697,396	1,216,417	+ 480,979	2,857,266	— 1,159,870
12—Acceptances .	31,201,120	33,693,463	— 2,492,343	20,124,513	+ 11,076,607
13—Other liab. . .	3,884,659	2,566,014	+ 1,318,645	8,856,792	— 4,972,133
Public liab. .	$2,313,506,882	$2,345,888,890	— $32,382,008	$1,987,413,004	+ $326,093,878
8—Due bet. b'ks	11,507,772	10,885,649	+ 622,123	7,821,835	+ 3,685,937
Gross	$2,325,014,654	$2,356,774,539	— $31,759,885	$1,995,234,839	+ $329,779,815

NEWS AND VIEWS FOR MANAGERS

THINKS MANAGER SHOULD RANK AS PARTNER OF H.O.

A Prairie Argument For the Right to Handle Side-lines

TAKE RESPONSIBILITY

Contention That the Manager Should Handle a Customer as Though the Bank's Business Were His Own

The discussion of the relations between the branch bank and head office continues to draw some very interesting views from men on the firing line—bankers who are holding the financial trenches. L. M. W., whose contribution follows, is manager of a branch in a small prairie town in Saskatchewan. He argues that the relations between the banks and the public are largely the affair of the manager and that he should be prepared to assume a larger share of responsibility for the policy of the institution than is often the case when the tendency is to blame things on head office and send the customer away with the feeling that the money kings in an eastern city have conspired against him.

But L. M. W. goes further. He thinks that if the manager guards the interests of the bank as though they were his own, as though he were a partner in the concern, that the bank should regard him in a somewhat similar light. Therefore he contends that managers should not be prevented from having outside interests—such as an insurance agency—particularly in the smaller communities of the "new" parts of the country where acting in such capacity is actually fulfilling a service to the people.

Having spent some years in the West myself the point made by L. M. W. regarding managers and insurance appeals strongly. The trouble from the head office standpoint is not, however, as I understand it, that it is not all right in some instances for managers to have these outside interests, but there is no way of drawing the line. It has been felt therefore that in the long run it would be safer to have all managers devote all their energies to the bank's interests and side-lines have, therefore, as a matter of policy, been frowned upon.—J.W.T.

Editor, The Financial Post,

Sir:—On reading the remarks of F. C. G. regarding the subject of "The responsibility of the Head Office or Manager, for the ill feeling between the banks and the general public," I feel that F. C. G. does not give any definite solution as to the remedy, except advice to the managers. He apparently speaks from an Ontario point of view, where deposits are the rule, therefore the acquaintance of the customer is confined to the teller and ledger-keeper solely,—or I should say in the case of the small depositor. Personally we are of the opinion that the manager very soon finds out all about the party who deposits $1,000, or over, and generally makes it a point to give the depositor a friendly nod whenever he has the chance; with the smaller man he usually tries to meet as many as possible, and as he has had considerable experience in remembering faces during his years of work in being promoted from post to post, to his present position, he endeavors to call each customer by name, and obtain the confidence of the depositor. With this class of customer very little trouble is experienced, they usually being a very loyal type, appreciating the friendly word and nod, and as long as they receive good service they are not inclined to switch to some other institution.

Need of Confidence

With the small borrower, it appears to us, that the trouble lies in the fact that the manager has not sufficient confidence in his own ability to advise the customer at the time the application for the advance is made, whether same will be properly received by H. O. or not. Personally when we are approached for a loan within our own limits, we first secure a statement and then point out the objectionable features of same, and frequently we are able to satisfy our customer with a smaller amount than originally asked. Where the application is one that has to be submitted to H. O. we generally give the customer as nearly a direct an answer as it is possible, basing our belief that what appears reasonable to us, (providing that the past record and character have proven satisfactory) will prove reasonable to our H.O. We have learned through experience that a loan is very seldom refused by H. O. if properly recommended to them by their manager.

> **THE FARMER AND THE BANKS**
>
> On this page will be found a suggestion by Vere Brown, Western Superintendent of the Bank of Commerce, for solving the banking problems in Western Canada by bringing the bank and the public closer together with local facilities for ruling on loans.
>
> Mr. Brown's suggestion is practical and direct. What do the managers on the firing line think of it?
>
> A number of very valuable discussions have been conducted recently on this page by branch managers. Here is another subject where the opinions of the men who actually come in contact with the public are of the highest value. Let your fellow managers and head office officials have the benefit of your views on this paper.—J.W.T.

Of course you will say what about an account which is being offered for the first time, and on which you have no past record on file. This is easily answered, for if it is a case of a new enterprise, they have no right to ask for advances until they have earned something, and if you are not in a position to supply H. O. with the necessary data, how can you expect them to do something that you cannot do yourself? If you have that data, you should know the nature of the business, the prospects of success, management, etc., and if the proposition is above board in every particular, and the securities offered are of a sufficiently liquid nature to ensure the liquidation of the advance by the date of expiry, then the proposition will appeal to H. O. in the same way that it has appealed to you.

I could recite a personal experience where one of my customers wished to borrow a certain sum of money for investment purposes. The security offered was three times as great as the advance, and there was no question in my mind that the loan would not be retired as agreed upon. Still the nature of the investment was not within the usual scope of banking. I showed this to the applicant, pointing out that this feature would not meet with the views usually governing H. O. in the passing of credits, and I did not consider for one moment that it would be passed. He asked me if I personally had any objection to the advance, and I assured him that if I were in their place that I would, as it would be a precedent for that kind of investment for other worthy customers of the bank, but as local manager I had no objection in endeavoring to secure the loan. He asked me to do so, and after very plainly telling him that I considered it would be refused, I applied for the credit, with my recommendations, and the outcome was refused, as I had advised. He was perfectly satisfied with the outcome, and I feel confident that my own standing as well as the institution I represent was enhanced by the way it was handled, for he did not leave me, and he is doing a larger business than ever.

I bring this point out to show that ill-feeling is allowed to creep in by the manager not having perfect confidence in his own ability. The H. O. give him a limit for loans on his own judgment, and it does not require very much experience to find out whether his judgment is at fault or not. H. O. will soon advise the various weaknesses as they seem to them, as soon as his first report reaches them, and if he reads their letters with a sense of responsibility as being a part of the institution represented by him, and not in the light as a kick against his judgment, he will soon gain sufficient confidence to know how to act with practically every borrower. Of course once in a while your judgment will not conform with theirs, but on the whole it will, and the embarrassing results of telling a customer that you expect the advance will be posted, and then refused will be few and far between.

The Manager a Partner

We feel that H. O. could assist in keeping the name of their bank in public favor by treating the manager, more as a partner than a servant. In the banks of to-day, managers are left a few years in one place only to be moved to another branch of about the same proportions. We feel that possibly there are too many moves for a manager (of course some kick if they are not moved). Then again a manager is prohibited in doing any business on his own account, when we feel that if a proper check was kept on his methods, he should be permitted to become an insurance agent. Who is more fitted in these small country places to watch for renewal fire and life business than the business manager of the farmers, for practically all farmers consult a manager many times during the year on matters of business, and for this reason I have called him a business manager?

Personally we find that we have to know a little about law in almost every phase; in fact we had one experience in a manslaughter case, so it can be readily seen that the good-will of the bank lies in the tact and ability of the local representative, and if he was allowed to work himself into the district covered by his institution, he would then become a part of it, and with his chance at increased earnings he would soon realize that by furthering his own ends, that he must keep the name of his institution spotless, for to be a real success for himself, his methods would have to be above board, and the bank would receive the direct benefit of his good name.

In summing the whole situation up, I am led to believe that ill-feeling, if any, is caused by managers not knowing themselves. If they would take their business as their own, and when confronted with propositions which are beyond their scope or experience, they would be well advised to show their own hand to their customer and retain his good-will rather than jump at conclusions and then have to throw the blame on someone else. The public as a whole judge your ability by the size of the local accounts, therefore if in a small place, all the singing of your own praises will not raise their opinion of you, but by talking plainly and fearlessly to them, being sure of what your experience has taught, they will respect you, and are apt to rate you higher than the one who talks about the H. O. officials turning the account down, and in this way overcome any prejudice of the institution that may exist.—L.M.W.

SUGGESTS THAT FARMERS DEAL WITH OWN "KICKS"

Vere Brown, of Bank of Commerce, on Western Problem

CO-OPERATION ASKED

Would Have Committees Appointed by Farmers' Organizations to Pass on Complaints

The problem of the relationship of the Canadian banks and the public—and the Western farmer in particular—is dealt with in a very direct, candid and practical way by Vere Brown, Western superintendent of the Canadian Bank of Commerce in an article to appear in the next issue of the Journal of the Canadian Bankers Association, an advance copy of which has been supplied to the FINANCIAL POST. Mr. Brown faces the situation that the banks are not popular. He realizes a situation which I have referred to several times in articles which have appeared on this page, and realizing it seeks to find a practical method to counteract it. He thus sums up the present situation:

> The underlying causes of the dissatisfaction of some of our farmers with the service rendered by the banks, as well as by other interests in the West, are largely to be found in certain difficult general conditions prevailing in this portion of Canada, to which conditions I shall presently refer. This dissatisfaction, however, is by no means wholly explainable by such general conditions, and it has to be admitted that there have been inefficiences of banking service. Some of these ineffciences must be remedied by the banks themselves. For others, however, a speedy remedy can only be found by a friendly co-operation between the banks and the farmers' associations—on which point I wish to lay special emphasis.

Mr. Brown's suggested remedy is to bring the bank and the farmer closer together, to overcome the impression that the borrower is at the mercy of the head office officials thousands of miles away. Here is his idea:

> That each local association of the various provincial farmers' asociations should appoint a local Committee of Reference to which the complaints of its members would be submitted. On receiving a complaint, this committee could sit down with the bank manager, sort out the statements of fact on both sides, and endeavor to find a way of helping out any case deserving of assistance. If this local committee felt that the bank was at fault and the manager was disinclined to reconsider his decision in any way, the committee could pass its finding on to a central committee of the Canadian Council of Agriculture, at Winnipeg, by whom the matter could be taken up with the chief Western representative of the bank concerned.

In making this suggestion Mr. Brown frankly states the case of the banks, admitting weakness in the service, and then puts it squarely up to the members of the councils of the farmers' associations to co-operate in a serious effort to effect the necessary improvement. He argues that his suggested machinery and procedure would be equally effective whether the difficulty was the result of wrong policy on the part of head office or was the fault only of the local manager. Further he declares that if there are any banks doing business in the West whose central officers are not pursuing the kind of policy which the country has a right to expect of them, those banks which are aiming to extend banking credits along intelligent and just lines are as much concerned as are the farmers themselves that such institutions should be known, and pressure brought upon them to rectify the trouble with the least possible loss of time. On this point he observes:

> No bank could afford to find itself in the position of being adjudged at fault by its own competitors, as well as by a responsible committee of the farmers' associations. Consequently, the effect of such a measure of co-operation between the farmers and the banks as I have suggested above would be efficacious in about the last degree. I can imagine no form of banking commission, governmental or otherwise, which could exercise so beneficial an influence.

Western Problems

Mr. Brown discusses at length a number of Western banking problems in the relations between the farmers and the banks along the lines of his address to the Convention of the United Farmers of Alberta at Edmonton to which several extended references have been made in the FINANCIAL POST. He refers to difficulties in relation to extending credit to farmers including financial status, inexperience, exemption laws, etc., but admits "that there have been mistakes of general policy on the part of a few banks." In this connection he refers to physical difficulties in developing the banking facilities of a new country and states that the trouble has not been with the system but to deficiencies of administration of what is recognized by financial critics as one of the best banking systems in the world, a system which has rendered such good service in the older settled provinces.

The Leedy suggestion of a unit system on the same lines as that in the United States is met with a number of effective arguments including efficient service, moderate interest rates, stability during periods of financial strain, etc. In the latter connection he refers to the fact that the case of the depositor is not usually considered in its real importance and emphasizes the duty of the Government in providing the greatest possible margin of protection to those to whom the moneys on deposit belong.

Mr. Brown's article is one of the most frank discussions of the problem of the relations of the banks and their customers which has yet appeared and coming from perhaps the best Canadian authority on the subject his suggestion should have the serious consideration of all bank officials and directors.—J.W.T.

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TORONTO, MARCH 29, 1919

THE FARMER—THE—BANK—THE MANUFACTURER

THERE is no Canadian business man better qualified to discuss the relations of the banks and the farmers than Vere Brown, Superintendent of Western Branches of the Canadian Bank of Commerce. Likewise, we believe there are few, if any, better qualified to intelligently discuss the relations of the farmers and the manufacturers.

From a wealth of experience in maintaining working relations with the prairie agriculturists in the face of public animosity and physical difficulties, Mr. Brown makes a practical suggestion for improvement in banking service to the farmers. That suggestion is outlined in an article on page nine of this issue and is in brief, that the local farmers' organizations appoint committees to deal with complaints against the banks.

In making his suggestion, Mr. Brown discusses—as he did in public before the U. F. A. convention at Edmonton —in a frank and candid way, the weaknesses, alleged and real, in the Canadian bank system as now operative. The alleged weaknesses are met by convincing arguments which effectively dispose of them; the real weaknesses are the basis of the constructive suggestion made for the purpose of meeting the feeling that there is too much head office control of local business.

Mr. Brown is convinced that the complaints of the farmers against the banking service can be removed by a thorough getting together of the two interests. To this end he has been constantly bending his efforts with marked success. How different the relations of the banks and the farmers and the manufacturers and the farmers! Yet, they all have common interests in the last analysis. The farmers have been educated about banking—they are ignorant of industry. That this is appreciated by Mr. Brown is indicated, following his reference to getting together, by this comment: **"I believe the same holds true regarding the differences existing between the farmers and other business interests—that a getting together is urgently called for all down the line."**

There can be no doubt as to the "other business interests" referred to, and the reference is very much in order.

WHAT CORPORATIONS OWE THE PUBLIC

THhe first two public appearances of President Beatty of the C. P. R. serve to emphasize his broad-minded point of view, and his acute perception of the trend of public sentiment. Perhaps no other single quality, of those that were responsible for his choice as a successor when Lord Shaughnessy felt compelled to lay down the leading reins, will stand him and the great corporation he guides in better stead than just his keen judgment of human nature, whether it be of individuals, or the people as a whole. In great measure, the future of the C. P. R., among the shoals of state ownership agitations, rests with the young president's wise attitude in determining his company's dealing with the public at large.

It would be well were the heads of all public service corporations, and groups of men representing officially such vital interests as those of the Canadian Manufacturers' Association, to recognize—and practise—the principle laid down by President Beatty in an address to his officials, namely, that:

> The attitude of the public towards a corporation is necessarily and properly influenced by the attitude of that corporation and its officers towards the public. Nothing is so readily recognized and appreciated as willingness to serve, and efficiency in service.

He went on to urge these officials to appreciate to the full the character of their obligations to the public, and added:

> I am not unmindful of the fact that unreasonable demands are periodically made of railway companies, but I cannot avoid the conclusion that on the extent to which the people of this country believe in the Canadian Pacific Railway as an institution which is honestly and efficiently managed, and on the extent to which they believe in the integrity and fair dealing of the officers of that company, will in a large measure depend their attitude towards the company in connection with projects for Government ownership, nationalization, or whatever other term the excursions of Governments into private enterprise are designated by.

And this applies not only to railroads and their relation to the public, but equally to the interests of manufacturers towards the prevailing sentiments of the farmers of the West, the great body of labor, and the welfare of the country at large.

"CHAMPION ADMINISTRATIVE MUDDLER"

THE title of "Champion Administrative Muddler of Canada" goes to Dr. Coulter, in the opinion of an Ottawan who knows the Deputy Postmaster General and his work and who gives his endorsation to what THE FINANCIAL POST has said about his absolute inability to efficiently administer the business of the Post Office. Regarding the circumstances that Dr. Coulter has been able to successfully ride through every storm of criticism, this correspondent says:

> "It is not easy to explain why, but facts are stubborn things, and there they are. If his defects are not known to many members of the Government, then these gentlemen are imbeciles and should be otherwise employed. If they are known then they are rogues and not fit to be trusted with public duties. It is common talk in Ottawa that the daily seances which he holds with members of his staff are amusing if regarded as vaudeville performances, but if public business is a serious matter, requiring prompt and efficient attention, then these daily seances are crimes against the welfare of the country.
>
> The press of Canada should be insistent in demanding that the Government hold an inquiry into Dr. Coulter's administration. If an inquiry were held he would doubtless dodge it by requesting retirement."

How long must the people of Canada be made to put up with such gross inefficiency in the handling of the nation's biggest business institution? Those who, like this Ottawan, have an intimate knowledge of civil service matters feel that it is high time for a change and believe that if an inquiry were held—such as that bearing on the conduct of the Printing Bureau for example—Dr. Coulter would not long remain to bedevil the Postal Service.

FLIMFLAMMING THE TAXPAYERS

THE opportunities—usually taken advantage of—for political flimflam in the working out of public ownership schemes by covering inefficient service to one class or section of the community by taxation of the general ratepayers have time and again been emphasized by THE FINANCIAL POST. Recently, the unsoundness of the Manitoba Farm Loans scheme was forcibly shown by pointing out that, whereas, some farmers were securing loans at 6 per cent., the money was costing the Government as high as 8.3 per cent. and that the difference, together with the cost of administration, was being contributed from the common funds of the Province.

This situation in Manitoba has also aroused *Canadian Finance*, published at Winnipeg, and therefore, in a position to obtain a "close-up" view of the whole situation. Attention is called to the fact that the profit and loss account of the Manitoba Farm Loans Association is notable "not so much for what it contains, but rather for that which it does not contain," and:

> It is quite natural that the authorities should be desirous of using every possible means to make the accounts of the Farm Loans Association reflect their repeated statements that the scheme is provincially sound. But that optimistic air assumed by those interested in the scheme is not sufficient to dispose of the very evident truth that the present method of administration is financially unsound.

Canadian Finance confirms the revelations of THE FINANCIAL POST as to the manner in which the telephone funds were juggled to provide funds for the Farm Loans scheme with the result that eventually a discount of $60,000 on the $1,000,000 replacing issue had to be met out of the general funds on the Province. Further, it is pointed out, that Sir Thomas White was prevailed upon to advance $500,000 of Dominion funds at 5 per cent. on which he is paying investors 5½ per cent.

Taking into consideration these and other factors bearing upon the cost of the service *Canadian Finance* submits that from 9th March, 1917, to 30th November, 1918, there was an actual loss of $26,446 after "treating contentious items in a conservative manner, always giving the Farm Loans Association the benefit of the doubt"—only a portion of the loss on the bond issue was brought into this estimate. Further, attention is called to the fact that the association is not subject to taxation; that the borrowers are compelled to invest in the stock of the association; that the Provincial Government has subscribed $100,000 for stock; that capital upon which the Province can collect a tax is being forced out of the country, etc., **etc.**

THE FINANCIAL POST is not arguing that the Government of Manitoba or any other Province has not the right to go into the loaning business. It does contend, however, that if the Government does compete with private institutions and private capital, such competition should be on a fair basis—this in the interests of the established loaning organizations—and that those who take up the loans should pay the full cost—this in the interests of the ratepayers in general. If the Governments will compete on this fair business basis, we are quite satisfied that the result of the whole movement will be a much higher appreciation of the service and efficiency of the established loaning institutions which have done so much for the upbuilding of the country as a whole and Western Canada in particular.

EDITORIAL NOTES

THE Toronto *Globe* mentions a land tax as one method by which national revenue can be maintained if the tariff is reduced. The *Globe* might be a little more explicit for the benefit of its farmer friends.

* * *

J. H. BENNETT, of Barrie, who says that he is an out-and-out public ownership man for the Hydro always, writing to Mayor Buchanan of Ingersoll, objects strongly "to the whole policy of the affair being dictated by the Hydro officials and the representatives of the people being only rubber stamps for them."

* * *

THE Toronto *World* says that "it is the policy of public ownership to wipe out not only the water, but the stock itself, the capital investment, even the plant itself, thus amortizing the whole enterprise." This is not just exactly clear to us, but, then, neither is most of the other public ownership raving.

* * *

THE idea of free thought and action of the United Farmers of Alberta in the Medicine Hat constituency is indicated by the fact that the candidate they support will be asked to place his resignation in the hands of a committee to be enforced on their decision. It seems a waste of time to hold a public election—why should all the people elect when a committee can unseat?

* * *

THE U. S. Tariff Commission, after an investigation of the sugar industry, finds that "the big concerns are the low cost concerns and the small concerns are the high cost concerns." The whole industrial tendency is towards big scale production—otherwise referred to as big business—and the benefit goes largely to the consumer.

* * *

THE fact that in 1917 agricultural implement manufacturers in Canada paid in wages over $8,000,000 and $1,300,000 in salaries to employees numbering over 9,500, while materials valued at $15,500,000 were increased to over $32,000,000, **should not be disregarded in considering the demands of the farmers for a material lessening of the protection of this industry under the existing tariff schedules.**

ENGINEER MURPHY ATTACKS HYDRO POLICY

Technical Adviser of Power Controller Says It Was "Hunnish" to Encourage Electric Heating When Power Was Needed For Munitions

The following letter addressed to the Electrical News of Toronto has been handed to the press by its writer, John Murphy, who adds that the Electrical News has refused to publish it and who feels the public is entitled to the information the letter contains.

The letter deals with the "crime" of using electrical energy for domestic heating during the war when the need to conserve energy, so that munitions might be manufactured, was so urgent. He contends that a professedly technical journal like the Electrical News should not praise such an electric heating installation as the one which is described and illustrated in that paper in its February 1st issue.

Mr. Murphy says that the 24 kilowatts, the capacity of the electric heating installation referred to, would have supplied energy to 600 forty watt lamps, or, 240 one hundred watt lamps—to say nothing at all of munition-making—24 hours a day.

He has been connected with the development of the hydro-electric art and industry from its inception. He has been Chairman of the Ottawa Branch of the Engineering Institute of Canada and is now a member of the National Council of that body. He is a Fellow of the American Institute of Electrical Engineers, a member of the Dominion Power Board, and electrical engineer of railways and canals and of the Railway Commission. He is also connected with the Conservation Department of the Federal Fuel Controller and was intimately connected with the investigations of the Niagara Power Shortage in 1917 and 1918. He has been a member of the International Electro-technical Commission ever since Canada was represented upon that body.

But the writer of the letter in question makes it plain that he speaks as a private citizen. He wrote from his residence on Sunday, February 2, and he has given the Electrical News, he thinks, lots of time to publish his letter.

The letter follows:

ELECTRIC HEATING A CRIME?

To the Editor of
The *Electrical News*

Dear Sir,—(1) Will you kindly grant me space in your next issue to protest against the spreading of such hunnish propaganda as that contained in the "Electrical News" of February 1st, 1919?

The editorial entitled "A Practical Illustration of Domestic Electric Heating," and the illustrated article with the headings:—

"Heating Our Homes with Electricity. A Pioneer Installation in Toronto which Proves that Electric Heating is Entirely Practical; Cost not Prohibitive for the Well-to-do Citizen"—are the causes of my complaint.

(2) In the first place may I point out that while the installation in question may be the "Pioneer in Toronto" it is an exact duplicate, apart from automatic control, of one in McCormick's Drug Store on Sparks Street in Ottawa "just 20 years ago." The latter installation was very successful in so far as maintaining agreeable temperatures was concerned; but it was, of course, abandoned as soon as the misguided enthusiast who bore the cost of the work woke up to an appreciation of the facts surrounding the problem of electric heating.

(3) In Italy, during the war, it was an indictable offence to **use** any electric heating device between the hours of 4 p.m. and 10 p.m. daily; and it was also an indictable offence to **sell** any electrical heating device whatever. But, Mr. Editor, may I ask were conditions so very different in Toronto that "Domestic Electric Heating" **in the winter of 1917-18** was so "entirely practical" as to deserve the commendation which the "Electrical News" heaps upon it? Surely many of your reads, besides myself, heard of the efforts to prevent the wasting of electrical energy in and around Toronto on account of the power shortage in that vicinity? Darkened streets and windows were intended to remind thoughtless ones we were at war.

(4) Figure 3, on page 24 of the "Electrical News" of February 1st, 1919, contains, in my opinion, a record of a most flagrant case of wanton waste in wartime. What is the nationality of the individual in Toronto and what was his connection with the electrical system from which he was at liberty to keep on taking 24 kilowatts for electric heating throughout the winter of 1917-18? Where were you, Mr. Editor, during that winter —how can you praise such conduct? Where were the officials of the system in question?

(5) I am tempted to speak with vigor upon the above subject because I am one of that multitude who sacrificed time and energy, as well as such money as I had at my command, to help the cause of humanity; and my very hardest work and most trying experiences were connected with an effort to get kilowatt-hours released from non-essential undertakings, so that they would be continuously available for badly needed war-work, in the very district where this electric—heating—crime was being perpetrated. Were there many other such installations as the one you so highly praise? Are there any other extravagant persons in that vicinity who spent $480.18 for the luxury of electric heat when coal costing only $144(?) would have done **the same heating during the war when electric energy was so scarce?**

(6) The crime in question would not have been so heinous if the electrical energy used in that heating installation came from an absolutely independent Hydro-Electric plant, but, as is common knowledge, old steam plants in Ontario and elsewhere were pushed to the limit at that very time, and, the United States authorities graciously, none too willingly, allowed coal to come into Ontario for producing power, in order that the outputs of the overloaded Hydro-Electric plants might be supplemented by steam power; in this manner further aid was rendered to the production of munitions. But just think of the criminally farcical nature of this tragic state of affairs! A Torontonian drawing electrical energy which he uses for **heating** out of a system during periods when from 5 to 10 times as much coal had to be burned (to put that same amount of electrical energy back into the system) as would have heated his house. All this at a time when coal was costly and scarce and when electrical energy was never so badly needed in this world.

(7) The "Electrical News" says the stupidity of the engineer has retarded the development of electric heating, but, as I understand my duty to the public, to the engineering profession and to myself I would be guilt of something much worse than stupidity if your statements were allowed to go unchallenged. At the March, 1916, meeting in Toronto, of the Engineering Institute of Canada, electric heating was clearly and unquestionably shown to be **practically** impossible. At that meeting, with the needs of the Allies in plain view, and with the horrible Niagara power shortage before us, I protested not only against using electrical energy for heating, but also against the putting into force in the province a short time before the meeting of a secondary or tertiary rate for the use of electric energy which tended to encourage wasteful electric heating loads. If my memory serves me I asked the meeting if such tactics—which would surely interfere with war work—were for the purpose of "making the Kaiser grin?" This is exactly what I mean now in the opening paragraph of my letter when I refer to "hunnish propaganda." The Hun did not want us to help to win the war, he did everything in his power to block us and, even now, he does not want us to conserve, to make proper use of, our resources. Electric heating is too wasteful to be allowed. Why help the Hun, with your praise, even at this late day?

I will thank you for publishing this communication and I beg to advise you that I reserve the right to make such other use of it as may, in my opinion, serve the interests of the public.

Believe me,
Yours truly,
(Signed) JOHN MURPHY.

174 MacLaren Street,
Ottawa, February 2nd, 1919.

PERSONAL

CHARLES R. HOSMER, Montreal, who has been a patient in the Royal Victoria Hospital for several weeks following an operation, is progressing favorably.

H. P. BRIGGS, who has returned from overseas, has rejoined the international banking house of Harris, Forbes & Co., Inc., and now represents the firm in Toronto, covering the Ontario field.

F. N. McCREA, M.P., who was one of the two Liberals to oppose the McMaster amendment on the tariff, is president of the Brompton, Pulp & Paper Company. He said he was a manufacturer and would be only too glad to have free trade in his own line of business, but if there was going to be free trade it ought to be uniform. Some industries were not prepared to compete against the world.

MRS. SUSAN FARNHAM COLGATE, who died in Yonkers, N.Y., last week at the age of 101, was the widow of James B. Colgate, son of the founder of the firm of soap manufacturers of that name and himself head of the New York banking firm of James B. Colgate & Co. Mrs. Colgate was a leader in the religious and philanthropic life of Yonkers and an accomplished artist. With her husband she founded Colgate University at Hamilton, N.Y. She leaves a son, James Colby Colgate, the present head of the banking firm.

R. B. ANGUS, who, with one exception, is the sole member living of the original syndicate incorporating the C.P.R. is highly regarded by President E. W. Beatty, who says that Mr. Angus from the beginning has been the guide, counsellor and friend of each of the successive executives of the company and has never, in the past 38 years, failed to serve and guide the interests of the company in a way that has earned the admiration, respect and appreciation of his associates on the board and the shareholders of the company.

C. C. PINEO has been appointed supervisor of the new branches of the Royal Bank of Canada which are being established in Brazil, the Argentine Republic and Uruguay, the new field for the Royal Bank, while Mr. Noble continues in charge of the West Indies and other foreign branches. Mr. Pineo started in the service of the Royal Bank about four years ago, but left to assume the direction of the branches of the National City Bank of New York in Brazil. He managed with success the Brazilian branches of that bank up to the present time. Now he leaves the National City Bank to return to the Royal Bank. Mr. Pineo was born in the Annapolis Valley.

JOHN MILLEN, president of John Millen & Sons, Limited, Montreal, who died this week in his 76th year, had a very successful business career. It is only a short time ago since Mr. Millen celebrated the sixtieth anniversary of entering business. His first was a general hardware store, but later on he was quick to see the possibilities in time of sporting goods, bicycles, steam and electric railway supplies, and auto accessories. The company in 1906 changed from retail to wholesale. Mr. Millen took an active part also in all plans for the development, and especially the beautification of Westmount. He was one of those responsible, too, for the organization of Taylor (Presbyterian) Church, away in the French-Canadian district of Montreal, and it is related that when it became known as "Millen's Church," he had to turn away from his door many a couple who thought he was a minister and prepared to unite them in the bonds of matrimony.

CURRENT OPINION

Under this heading are published, for the information of our readers, the views of leading newspapers and individuals.

Their reproduction does not imply their endorsement. On the contrary, the investigations of THE POST'S editors often lead to entirely different conclusions from those quoted below.

CANADIAN MANUFACTURERS AND THE BOARD OF TRADE

Canada

Early in January we pointed out in our "Notes" that the policy of the British Board of Trade in regard to their import licenses was discriminating harshly against the Dominions, and we suggested that some of the Canadian M.P.'s should take up this question when the House met at Westminster. We much regret that this matter has not yet been ventilated on the floor of the House, because since January the grievance has become even more acute; and, judging by the views expressed by Mr. Frank Jones and cabled to Canada, a very unfortunate impression has been created that the mandarins at the Board of Trade have deliberately formulated a policy of unfair discrimination against Canadian manufacturers. As Mr. Jones, one of the most prominent Canadian business men, was acting as confidential adviser on trade matters to Sir Robert Borden, his criticisms will carry much weight.

No Canadians will take exception to a general protective policy on the part of the Mother Country; but, when they see Japanese, Scandinavian and American goods freely entering England whilst their own are shut out, they naturally want to know why. The principle on which the Board of Trade issue their licences is not, we are convinced, deliberately designed to prejudice Canadian interests, but it happens to be the most foolish and illogical action in the long list of stupidities perpetrated by that department. Under their method of licensing, Canadian goods are kept out simply because since the outbreak of war Canadian exports were confined to military needs, and, in fact, many Canadian ships were diverted to American ports to carry American goods to England, which now gives those American exporters the right to obtain licences from the Board of Trade to the disadvantage of Canada. As we have already said, the grievance has now become acute. There are nearly 200 Canadian trade representatives on this side of the Atlantic, and although they find large orders offered to them, they are denied the necessary import licences. It is certainly high time that the question should be raised in Parliament and that the Board of Trade should be forced to justify their action or amend their regulations. The returning troop ships from Canada are no longer loaded with munitions of war, so their space can well be filled with goods now supplied by other countries who have not the same rights to our market as the daughter nations of the Empire.

COULD NOT OUR INDUSTRIES FORGE ON TO VICTORIES IN WORLD'S BATTLEFIELDS?

London *Advertiser*

When the manufacturer issues full-page statements to the country advising that no one tamper with the tariff, and points to the fact that upon the tariff we must depend for the revenue to meet the obligations of the country, does he realize the obligations of the country, does he realize that he is advising the Canadian people to buy foreign-made goods?

The manufacturer makes it plain that more than half of our revenue comes from the duties paid on imported goods. He points to the fact that the present year will find expenses enormously increased, even though the army will be practically disorganized, and that more than ever Canada must place her dependence in tariffs. Does he realize that only by the importation of more foreign goods can Canada increase her tariff revenues? When he preaches tariff for revenue he tears down all his theories of a protective tariff which is designed to keep out foreign goods. Tariff for revenue would be gauged according to the economic conditions. It might be low or high. But at the present time the tariff wall of Canada is strictly protective. If we secure a large revenue it is because there is a large demand for foreign goods. The tariff would be as high as it could be built if the manufacturers as a whole had their way. They would make the wall so formidable that there soon could be no duties paid.

In the war Canada faced her duty single-handed. The country did not ask for "protection" insofar as it related to war effort. It came closer than ever before to self-defence without special privilege. Man for man, her armies were the match of those of any other nation, and they stood at the front practically as independent as those of Britain or France. Canadian brigades were the equal of any other brigades. Smallness of population or resources did not prevent our men from competing with the biggest of nations. The same sort of independent spirit on the part of some of our manufacturers might have results on an equality with our military achievement. Out in the open field of world-wide trade Canada might find that her factories, ranged beside other factories, had distinctive qualities that more than made up for their lack of other qualities. And hundreds of millions of people to buy instead of less than ten millions! But Canada has never tried. Canada tried in France and the German hordes were thrown back from their pathway to Calais by a handful of Canadian soldiers, inadequately armed, yet possessing the spirit that sheer brutality could not overcome.

Canadian manufacturers throwing their gauntlet into the arena of world trade, challenging the industrial hosts, might meet the massed attack at the prospect of which they now tremble, and winning their Ypres, their St. Julien, their Passchendale, forge on to their Cambrai, Lens and final industrial vistory at Mons.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

SHOULD BALANCE LIST

J.L.S.—"Would like your opinion as to the safety and prospects for F. N. Burt, Steel of Canada, Monarch Knitting and Steamships preferred, also Brazilian common and Sterling Coal bonds. Would particularly like your opinion as to Steamships and Brazilian. I am a minister of the Presbyterian Church and will soon be at the end of my work. I have been investing in these stocks so as to have a little to fall back upon and am anxious to be well advised."

So far as F. N. Burt, Steel of Canada, Monarch Knitting and Steamships preferred stocks are concerned we believe that you have a strong group of securities of this class. Continuation of dividends has every reasonable assurance and all things considered in the present investment situation we think that values should show a tendency to advance as readjustment progresses and industrial and business conditions become more settled. However the possibility of further disturbances particularly in relation to sound conditions are not to be overlooked in relation to the more immediate future. Sterling Coal bonds are good.

Brazilian Traction common has been popular with the speculative investors recently. This stock suffered as the result of war conditions not only in relation to cost of operation but in the effect upon the rate of London exchange. Now that the war is over there would seem to be reasonable assurance of improvements and having held through the period of depression it would seem a good policy to wait a little longer.

On the other hand while as indicated we consider you have selected a good list and that the market is not at present a selling one it is quite evident that in view of your position and your dependence upon these investments for income you have gone in too much for speculative propositions. We assume that you have outlined the bulk of your investments. If they were backed by substantial holdings of Government or other bonds it would be different. As it is we would advise you seeking an advantageous opportunity for realizing on a portion of your holdings for investment in bonds. We believe that you might dispose of some of your Steamships for this purpose and perhaps some of your Steel of Canada. The sale of some Brazilian might also be considered if your holdings are large.

CITY REALTY INVESTING

R. H. McD.—"Can you give me any information regarding the City Realty Investment Company of Montreal?"

For several months an official of the Royal Securities Corporation has been working to make an accounting of the City Realty Investing Company for the committee of the bondholders, appointed on the 31st of May, 1917. We are informed that there will be a special report issued to the bondholders within a month or so, explaining the exact position of the company to-day, the value of the property it holds, what it will require to improve some of it to make it saleable or rentable, etc. We understand also that the bondholders will be asked to contribute something in order to provide funds to operate the company. With this request will go the statement that with the ending of the war the prospects for securing some returns to the bondholders have improved greatly. It is hoped by members of the bondholders' committee that most of the original investment will be realized by the bondholders.

At present the property is being managed by John Findlay, a prominent real estate man of Montreal. The bonds amount to $908,000, and paid at first 5 per cent. and then the amount was raised to 6 per cent. The last payment was made on Dec. 1, 1916, and it was when the payment due on June 1, 1917, was seen to be unlikely that the bondholders took action looking for some sort of reorganization. The members of this committee consist of C. A. Chauveau, Senator Curry, W. M. Dobell, Quebec; I. W. Killam, president of the Royal Securities Corporation; Col. R. W. Leonard, St. Catharines; and H. E. Rawlings, managing director of the Guarantee Company of North America. Perhaps it would be well for you to communicate with Mr. Killam, president of the Royal Securities Corporation, Montreal.

SASKATCHEWAN R. T. Co's

A. B., Buffalo, N.Y.—"I am writing to ask you about the Saskatchewan Rural Telephone Companies. I know that these debentures are passed upon by the Minister of Finance of the province and guaranteed as to legality. They are also a first lien on the farms as are all taxes. But are these taxes regularly collected? Are the debentures paid out of the general fund whether collected or not, or are the special taxes for telephones put into a telephone sinking fund and, if not collected, not paid or defaulted?

"Are the companies private, backed by Government or are they Government-owned and operated or what?

"What are the drawbacks, pitfalls as well as advantages of the securities?"

The Saskatchewan rural telephone companies can neither be classed as privately-owned nor Government-owned. They may perhaps be better described as municipally-owned, though this also is scarcely correct, because a company may operate in several municipalities. The fact, however, that the municipalities are responsible for collecting the levy required to pay the interest and principal of the debentures, aligns them pretty closely with the school districts. Their operations are regulated by the provincial Government, which, through the Minister of Telephones and the Local Government Board, controls the issue and sale of the securities.

We are advised that the telephone levy is well met, and, so far as we are aware, there have been no cases of default. The procedure would presumably be for the municipality to collect the taxes and hand them over to the company, which in turn would meet the bond payments falling due. Assuming that the taxes were not in hand, the municipality would doubtless borrow from the bank on the security of the unpaid taxes and furnish the company with funds from this source. There is no sinking fund, all bonds being issued on the instalment plan.

There are very few drawbacks in connection with these telephone bonds. Possibly the narrowness of the market for them, due to lack of appreciation of their merits, is one disadvantage, while another would be in the fact that payments on the bonds are made in western funds. On the other hand the security is noteworthy. All told the municipal, school and telephone debts would average very little over one dollar an acre on farm lands worth from ten dollars up.

CANADA STEAMSHIPS

E. B. S., Ottawa.—"Will you kindly advise me regarding Steamships common. I want to sell out. Will I be better advised to wait before doing so, or had I better sell now? I am in no hurry if anything is to be gained by waiting."

The review of the financial statement of the company will go far towards answering your inquiry as to the prospects before the stock. The company, in many respects, made a stronger showing than was expected. Much of the strength in earnings and surplus is undoubtedly the result of the very high freight rates which the company secured during the war, and also the sale of vessels at large profits. These two sources of revenue will be cut down, but the company is arranging to develop ocean business, and with the help of this and improved passenger earnings, should continue to be able far more than to meet the dividend charges, and in due course to increase the dividend on the common stock. We do not look for much further advance while it remains on a 4 per cent. basis, but at the present market price the yield is an excellent one.

RUSSEL MOTOR

Inquirer, Stratford.—"I understand the Russell Motor Car Co. is reorganized. Can you furnish me with definite information re this reorganization and with the prospective relations of the Russell Co. and the Willys-Overland Co., Limited, of Canada? What is to be the peace business of the Buffalo plant of the Russell Co.? Do you consider the future prospects of the Russell Motor Car Co. encouraging?"

The reorganization, to which you refer, does not apply to the Russell Motor Car Company itself, in that the latter continues with the same board of directors, officers and capital. Instead of being a producing company, however, as it was during the period of munition manufacture, it becomes purely a holding company, owning the Canada Cycle & Motor Co., Limited; and the Russell Motor Car Co., Incorporated, of Buffalo, and having large stock interests in the Willys-Overland Co. of Canada. It is the last-mentioned company which has been reorganized. The Russell Co. has increased very substantially its holdings of both the preferred and common stock of the Willys-Overland Co.; T. A. Russell has succeeded John N. Willys as president and will assume the management of the company, which is entering upon an aggressive program of automobile manufacture.

Newspaper reports to the effect that the Russell Motor Car Co., was itself embarking on the manufacture of gramophone motors, spark plugs, bicycle chains, gramophone and piano hardware, parts of safety razors, etc., are substantially correct, though these products will be manufactured by the Machine & Stamping Co., Limited. The company's Buffalo plant is still engaged on its contract with the United States navy and will be so occupied until May. The matter of peace employment for this plant is under consideration, but no definite decision has yet been arrived at.

Future prospects of the Russell Co. are certainly encouraging. The manufacture of automobiles, which will be concentrated on two models only, bids fair to be a big undertaking and should prove highly profitable. The Canada Cycle's operation, freed from war restrictions, should also contribute to the success of the company, while there is a good market developing for the products of the Machine & Stamping Co. The market position of the Russell stocks reflects public confidence in the future of the company.

STANDARD BANK

Locust Hill. — "How do you regard Standard Bank at 212 as an investment?"

The quotation of 212 for Standard Bank stock is high in relation to the present market. Recent sales have been at 209½ and late quotations are that figure asked and 209 offered. The Standard is one of the smaller chartered banks but it is well conducted and we think offers a very fair investment proposition at the present market. With the other banks it was in strong demand early this year and at that time sold as high as 215. There have been unconfirmed rumors from time to time that the Standard has been considered in relation with further bank consolidation but there has been nothing to confirm this. Usual effect of these amalgamations is to improve the position of the stock of the bank being absorbed.

STERNS TIRE AND TUBE

B.E.D., Ontario.—I would like your advice as to whether the stock of the Sterns Tire and Tube Company of Canada, Ltd., Toronto, would be a sound investment."

The Sterns Tire and Tube Company of Canada, has been in business since September 1916, but has not itself been doing any manufacturing, this being done by others. It is said to be the intention to manufacture at some future date. The company has an authorized capital of $1,000,000 and $250,000 of common stock and $25,000 preferred stock have been allotted to the Sterns Tire and Tube Company of St. Louis, Mo., for patents in Canada. In addition the Canadian company pays a royalty of ten to fifteen cents on each tire sold. The company is evidently in the promotion stage and although those connected with it have the reputation of being men of good business ability we would consider it a highly speculative proposition from the investment standpoint. The tire industry like the automobile industry has become big scale business and the competition is very keen. A new concern must therefore have strong backing if it hopes to force its way into the field and establish a profitable connection.

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47th ANNUAL STATEMENT

28th FEBRUARY, 1919

LIABILITIES

TO THE PUBLIC		
Notes of the Bank in Circulation		$ 5,354,902.00
Deposits not bearing interest	$22,798,810.45	
Deposits bearing interest, including interest accrued to date	41,578,247.68	
		64,377,058.13
Balances due to other Banks in Canada		64,634.33
Balances due to Banks and Banking Correspondents in the United Kingdom		101,331.50
Balances due to Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom		658,997.19
Acceptances under Letters of Credit		171,596.87
		$70,728,520.02
TO THE SHAREHOLDERS		
Capital Stock paid in		3,000,000.00
Reserve Fund		3,500,000.00
Balance of Profits carried forward		85,114.59
Dividend No. 119, payable 1st March, 1919		90,000.00
Former Dividends unpaid		486.00
		$77,404,120.61

ASSETS

Gold and Current Coin	904,821.72
Dominion Government Notes	7,526,768.00
Deposit in Central Gold Reserves	2,500,000.00
Deposited with the Minister of Finance for the purposes of the Circulation Fund	158,500.00
Notes of other Banks	527,477.00
Cheques on other Banks	2,028,187.96
Balances due by other Banks in Canada	16,443.35
Balances due by Banks and Banking Correspondents elsewhere than in Canada	797,568.15
	$14,459,766.18
Dominion and Provincial Government Securities, not exceeding market value	2,263,946.35
Canadian Municipal Securities, and British, Foreign, and Colonial Public Securities other than Canadian	8,498,738.19
Railway and other Bonds, Debentures and Stocks, not exceeding market value	434,653.04
Call and Short Loans (not exceeding thirty days) in Canada, on Bonds, Debentures and Stocks	4,421,377.83
Government Wheat Loans on Demand	5,918,000.00
	$35,996,481.59
Other Current Loans and Discounts in Canada (less rebate of interest)	37,719,328.04
Real estate other than Bank Premises	418,275.38
Overdue Debts, estimated loss provided for	182,454.90
Bank Premises, at not more than cost, less amounts written off	2,600,000.00
Other assets not included in the foregoing	315,983.83
Liabilities of Customers under Letters of Credit as per Contra	171,596.87
	$77,404,120.61

PROFIT AND LOSS ACCOUNT

Balance at credit of Profit and Loss Account, 28th February, 1918	$232,421.80
Profits for twelve months ended 28th February, 1919, after deducting charges of management, interest accrued on deposits, rebate on current discounts, and making provision for bad and doubtful debts	571,226.10
Recovered from over-appropiations	100,000.00
	$903,647.90
APPROPRIATED AS FOLLOWS:	
Dividends Nos. 116, 117, 118, 119, at 12% per annum	360,000.00
To Pension Fund	37,286.96
War Tax on Bank Note Circulation	30,000.00
To Patriotic, Red Cross and Relief Funds	18,150.00
Transferred to Bank Premises Account	173,096.35
Transferred to Reserve Fund	200,000.00
Balance of Profits carried forward	85,114.59
	$903,647.90

JOHN S. HENDRIE,
President.

J. P. BELL,
General Manager.

AUDITORS' REPORT

In accordance with the provisions of Sub-sections 19 and 20 of Section 56 of the Bank Act, we report to the Shareholders as follows:—

We have examined the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the Branches, and we have obtained all the information and explanations we have required, and in our opinion the transactions which have come under our notice have been within the powers of the Bank.

We have checked the cash and verified the securities of the Bank at the Chief Office and at several of the principal Branches during the twelve months covered by this statement, as well as on February 28th, 1919, and have found that they agreed with the entries in the books of the Bank with regard thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given us, and as shown by the books of the Bank.

Hamilton, 15th March, 1919.

C. S. SCOTT, F.C.A., of C. S. Scott & Co.
E. S. READ, C.A., of Webb, Read & Co.
AUDITORS.

We have prepared a List giving a wide range of Odd Amount Government and Municipal Bonds

A copy gladly furnished upon request.

DOMINION SECURITIES CORPORATION LIMITED
HEAD OFFICE: TORONTO 26 KING ST. E.
MONTREAL ESTABLISHED 1901 LONDON, ENG.

Æmilius Jarvis & Company
Members Toronto Stock Exchange
CANADIAN GOVERNMENT, PROVINCIAL and MUNICIPAL BONDS
Established 1891
Jarvis Building, 103 Bay Street, Toronto

OTIS & COMPANY
(In Business 20 Years)
The Leading Investment House of Ohio.
Members of all Principal Stock Exchanges.
CANADIAN MUNICIPALITIES and CORPORATIONS are invited to consult with us concerning plans for financing and the distribution of their securities.
OTIS & COMPANY
Investment Bankers
CUYAHOGA BLDG. CLEVELAND

DEALERS IN
GOVERNMENT, MUNICIPAL AND CORPORATION BONDS
Correspondence Solicited
A. H. MARTENS & COMPANY
(Members Toronto Stock Exchange)
ROYAL BANK BUILDING, TORONTO, ONTARIO
16 Broadway, New York, N.Y. Harris Trust Bldg., Chicago, Ill

BEAUSOLEIL, LIMITED
Financial Agents and Investment Brokers
Dealers in Municipal and School Bonds
112 St. James Street MONTREAL

Wanted
PROVINCE OF BRITISH COLUMBIA and CITY OF VANCOUVER BONDS
Short date preferred. Wire quantity and price.
ROYAL FINANCIAL CORPORATION LIMITED
Suite 703 Rogers Bldg., Vancouver, B.C. — Capital Paid up $566,220.32 — E. B. McDermid, Managing Director

Business Founded in 1795
AMERICAN BANK NOTE COMPANY
(Incorporated by Act of the Parliament of Canada)
BANK NOTES, BONDS, STOCK CERTIFICATES, CHEQUES AND OTHER MONETARY DOCUMENTS
SPECIAL FACILITIES FOR THE PREPARATION OF MUNICIPAL DEBENTURES
HEAD OFFICE and WORKS
OTTAWA
Branches:
TORONTO MONTREAL WINNIPEG

NEWS OF THE BOND MARKET

TENDERING FOR QUEBEC SCHOOLS WAS INTERESTING

Variety of Bids Received by the Catholic School Commission

PECULIARITIES

Long-term 5½ Per Cent. Bonds Bring Better Price Than the Short-term, But Reverse For 5 Per Cents.

By Resident Representative

MONTREAL.—Several interesting points in connection with municipal bonds have developed in connection with the bids that were received and decided this week for an issue of $400,000 bonds of the Catholic School Commision of the City of Quebec. The successful tenderers were Wood, Gundy & Co., of Toronto, whose offer was accepted for a bond to run 35 years, bearing interest at 5½ per cent., for which this firm offered the city a premium price, namely 101.21. There were over a dozen other tenderers, and one of these made an offer for the bonds, if they made a ten-year issue, that would have meant a smaller price for the city to pay for its money, but the long-term feature of the Wood, Gundy tender, like most of the others, appealed to the Board.

Optional Conditions

Below are given a list of the various tenders, in which the bond houses were given carte blanche, for they could make an offer on a basis of 5, 10, 15, 20, 25, 30, 35 years, and even the per cent the bonds bore was optional, and several firms tendered on a basis of both 5 and 5½ per cent. The result is a system of valuation of short and long term bonds as viewed by a number of leading bond houses, that is quite worth a close study. Moreover straight, instalment and serial bonds were in the list.

The tender that was successful also was the highest for a ten-year straight bond, the offer for this being 99.61 as compared with 101.21 for the 35-year bond. One other firm was ahead when it came to the five-year term, A. E. Ames & Co. who offered 99.396 as compared with the other offer of 99.28.

Some Differences

As soon as the various figures became known a controversy was started among the bond men as to the logic or lack of it displayed in the differences between the figures for the short and long terms. Should a firm offer more for a 35-year bond that for a 5 or 10-year bond? For instance, Wood, Gundy & Co. offered more for the 35-year bond at 5½ per cent., 101.21, than for the 10-year, 99.61, while still less was offered for the 5-year bond, 99.28. On the other hand in tendering on a 5 per cent. basis, more was bid for the 5-year than the 10-year, and more for the 10-year than the 35-year; the cases being exactly reversed. This bewildered some of the bond men—as the following comparison between three of the tenders shows:

	A	B	C
35 years 5½%..	101.21	99.837	96.379
10 years 5½%..	99.61	95.497	97.073
5 years 5½%..	99.28	99.396	......
	A	B	C
35 years 5%....	93.33	92.117	88.732
10 years 5%....	95.79	......	......
5 years 5%....	97.11	97.096	......

Particulars of Bid

Thus in one case the longer the term the larger the bid, when it was a 5½ per cent bond; for 5 per cent., the longer the term, the lower the bid. Many of the other firms reversed this theory.

One bond dealer, discussing this with the FINANCIAL POST, argued that a buyer (a bond house) couldn't afford to give as much for the long term bond if it was to sell at par, as he could for the short term, as the discount in the long term bond was divided over a long term period of years, and so was much less. So he would argue, if a 5½ per cent., 5-year bond were worth 98, a 10-year bond would be worth less to the bond dealer—provided both were to sell at par.

A Direct Obligation

The bonds themselves, while issued by the School Commission, are usually placed in the same class as municipal bonds, inasmuch as in Quebec Province these carry the direct obligation of the city on the face of the bond.

The following are the various tenders, prices, and classes of bonds suggested:

	Straight	Inst.
Wood, Gundy & Co.		
35 years, 5½%........	101.21	100.08
10 years, 5½%........	99.61	98.85
5 years, 5½%........	99.28	98.85
35 years, 5%..........	93.33	94.01
10 years, 5%..........	95.79	96.46
5 years, 5%..........	97.11	97.48
Credit Anglo-French Canadien		
35 years, 5½%........	97.12	.....
10 years, 5½%........	98.66	.....

		Serial
Dominion Securities Corporation		
35 years, 5½%........	99.08	.....
35 years, 5%..........	.....	93.068
10 years, 5%..........	.....	95.199
Foster, Barrett, Riepert & Low		
35 years, 5%..........	90.432	.....
35 years, 5½%........	98.114	.....
Versailles, Vidicaire & Boulais		
35 years, 5%..........	.....	91.55
25 years, 5%..........	.....	91.98
10 years, 5%..........	.....	94.72
A. E. Ames & Co.		
35 years, 5½%........	99.837	99.873
10 years, 5½%........	95.497	......
5 years, 5½%........	99.396	......
35 years, 5%..........	92.117	93.229
5 years, 5%..........	97.096	......
Credit Canadien		
35 years, 5½%........	.....	97.63
20 years, 5½%........	97.63	...
15 years, 5½%........	98.00	.....
10 years, 5½%........	98.50	98.57
L. G. Beaubien & Co.		
10 years, 5½%........	98.00	.....
Beausoleil Limited.		
10 years, 5½%........	98.15	.....
35 years, 5%..........	90.02	.....
Rene T. Leclerc.		
35 years, 5½%........	.....	98.15
10 years, 5½%........	.....	98.15
Provincial Securities.		
10 years, 5½%........	98.55	.....
35 years, 5½%........	97.27	.....
Napoleon Kirouac.		
35 years, 5%..........	.....	90.05
35 years, 5½%........	.....	96.05
Corp. des Obligation Munic.		
35 years, 5½%........	.....	99.00
35 years, 5%..........	.....	92.99
10 years, 5%..........	.....	97.00
5 years, 5%..........	.....	98.00
Hanson Bros.		
10 years, 6%..........	99.123	......
10 years, 5½%........	97.073	......
35 years, 5%..........	88.732	91.273
35 years, 5½%........	96.379	97.299

BOND DEALER BACK

Captain Woodcock, of C. H. Burgess & Co. Returns Home.

The bond dealing fraternity in Toronto will be glad to welcome home Captain W. A. Woodcock, partner in the firm of C. H. Burgess & Co., who has returned this week from active service in France. Captain Woodcock was originally attached to the 127th Battalion, but was transferred to the 220th, going overseas with that unit. In England he was transferred to the Imperial force, with whom he went to the front. After Lisle passed into the hands of the Allies, Captain Woodcock held the responsible post of town major.

LOCAL CAMPAIGN BY SWIFT CURRENT

School Board Disposes of $50,000 Tax-secured Notes in Quick Order

Swift Current School Board appears to have established a precedent for municipal financing in Western Canada, when it recently conducted a successful local sale of $50,000 Treasury promissory notes. The sum of $50,000 was required by the board to complete general financing for the year, but when the local bank, carrying the schools' account was approached for a loan, it declined to advance the money until the existing overdraft had been cleared away. In the face of this emergency which threatened to close down the schools, it was decided by the board to appeal to the citizens. A school loan of $50,000 at the same rate of interest as the bank charged. namely 8 per cent., was arranged, 75 per cent. payable on Jan. 15, 1920, and 25 per cent. on Jan. 15, 1921. This was offered to the citizens, and so successful was the campaign that the whole issue was quickly subscribed.

With the slogan, "Keep the Schools Open," assisted by a good strong advertising campaign, the work was rendered comparatively easy for the canvassers. Under the new legislation passed at the late session of the Provincial Legisltaure, the city may float debentures on property held for tax arrearages. The city is now obtaining titles to all possible property in arrears and will realize upon it through debentures next year. Then the school board will receive its share which should wipe out its indebtedness at the bank. The present loan from the citizens is secured by taxes due from the current year. The schools' share of these amounts to $84,000, or $34,000 more than the amount of the loan.

Writing about the campaign to THE FINANCIAL POST, A. S. Bennett, chairman of School Loan Publicity, says: "A great many of the city's ratepayers are now of opinion that much more of our municipal financing should be conducted after the lines set by the trustees of the schools."

A SMALL SURPLUS

Toronto's Hydro-Electric System Made a Profit in 1918

Gross revenue of the Toronto Hydro-Electric System last year was $2,353,443, of which $743,914 was derived from lighting, $982,859 from power and $300,594 from street lighting. Expenses totalled $2,331,776, including $842,251 cost of current, $661,361 cost of operation and management and $846,164 fixed charges, interest and sinking fund. There was a net profit on the year's operations of $21,666.

CONDITIONS ARE SOMEWHAT VARIED IN BOND MARKET

Lively Trading Going on, But Investment Buying is Quieter

VICTORIES ARE STRONG

Still Only a Limited Number of Issues Are Being Placed, Though Prices Continue Very Firm

Conditions in the bond market at present are somewhat varied in character. There is undoubtedly quite a lively trading market among dealers and a good many issues and parts of issues are changing hands. On the other hand actual investment buying, while still satisfactory in many quarters, is a little on the quiet side. Since the first of the year a good many issues have been absorbed by Canadian financial institutions and other investors, and these purchases, coupled with large subscriptions to the Victory Loan, have pretty well used up available funds. This condition is, of course, but temporary and, with April interest and dividend disbursements coming to hand, a revival of buying is in prospect. In fact, dealers anticipate a busy month.

The high rate now prevailing on New York funds is naturally having some effect on the United States market for Canadian bonds, but this is offset to a certain extent by those influences which are tending to weaken the general American market. The imminence of the Victory Loan, the unsettling effect of the European situation and the decline in American bond prices are not calculated to help Canadian bonds. At the same time the attractiveness of offerings, in view of the exchange rate, is such as to increase the number of inquiries from over the line.

Prices Going Higher

Buyers are now pretty well reconciled to the 5½ per cent. yield rate on municipal issues and in fact are taking up bonds quite readily at 5.40 per cent. The process of education to the higher prices is slow but sure. As each new issue comes out at a higher figure, it becomes increasingly easy to dispose of previous issues at lower prices. Of course, this cannot continue indefinitely and it is just a question whether the market has not just about reached its high point for the time being.

The market for Victory bonds continues active and strong, with prices at just about the top. The 1937 maturity has sold daily at 106; the 1933 has touched 105 on several days; 102¾ has been the high for the 1927 bond, while the short-term maturities have been strong at a high of 100¾. There is reported to be a movement to clear up these short-term bonds and some big orders have been received for them. Earlier war loans have also been strong, the 1937 fives selling during the week at par.

Some Recent Sales

There have not been many sales of municipals this week. Port Arthur. Quebec Catholic Schools and Smith's Falls each awarded issues at very satisfactory prices. The story of the Quebec sale appears elsewhere on this page. As for Port Arthur, the city on Saturday last awarded an issue of $11,700 6 per cent. 10-year bonds to Wood, Gundy & Co. at 101.675, or on a basis of approximately 5¾ per cent. The following tenders were received:

Wood, Gundy & Co.	101.675
Brent, Noxon & Co............	101.530
G. A. Stimson & Co...........	101.150
Canada Bond Corp.	101.080
McDonogh, Somers & Co.......	101.000
Æmilius Jarvis & Co..........	100.890
Morrow & Jellett	100.530
C. H. Burgess & Co...........	100.420
Dominion Sec. Corporation....	100 267
A. E. Ames & Co.	100.000
R. C. Matthews & Co..........	99.750
Bond & Deb. Corporation......	97.660

The Smith's Falls issue of $10,203 6 per cent. 20-instalment debentures was awarded to Aemilius Jarvis & Co., at 103.03, or about a 5.64 per cent. basis. Tenders received were as follows:

Aemilius Jarvis & Co.........	$10,512.24
J. F. Stewart & Co.	10,459.90
Canada Bond Corporation....	10,454.80
C. H. Burgess & Co...........	10,439.80
Wood, Gundy & Co............	10,426.00
R. C. Matthews & Co..........	10,419.03
H. C. Monq..................	10,417.35
A. E. Ames & Co..............	10,397.00
Brent, Noxon & Co............	10,346.55
W. L. McKinnon & Co.........	10,346.14
Sterling Banq................	10,320.00
G. A. Stimson & Co...........	10,311.25
Mackay and Mackay...........	10,302.00

C. H. Burgess & Co. announce the purchase of an issue of $10,474 6 per town of Kenora.

Interest will now centre in the approaching sale by the province of Saskatchewan of its issue of $3,000,000 twenty-year sixes, tenders for which are invited on April 9.

R. C. Matthews & Co.
Government and Municipal Bonds
C. P. R. BUILDING
TORONTO

McDonagh, Somers & Co.
Government and Municipal Bonds
Dominion Bank Bldg.
TORONTO
Canada

Housser, Wood & Co.
Canadian Municipal Bonds
Union Bank Bldg. Toronto

WE RECOMMEND
Montreal Tramways & Power Co.
6½% Secured Gold Bonds, Due Mar. 1st, 1924, at 100 and Interest
DENOMINATIONS: $100, $500, $1,000
A Corporation Bond which by virtue of the "cost-plus" contract between the Montreal Tramways Company and the City of Montreal has much the same degree of security as a Municipal Bond.
Telephone Main 3370 for particulars
R. A. DALY & CO.
Bank of Nova Scotia Bldg.
38 Melinda St.
TORONTO

W. L. McKinnon Dean H. Pettes
GOVERNMENT and MUNICIPAL DEBENTURES
W. L. McKinnon & Co.
McKinnon Building
TORONTO

W. F. Morgan-Dean Geo. R. Harris
WE OFFER
Whalen Pulp & Paper First Mortgage Bonds, due 1st May, 1920, to yield 6¾%.
Morgan-Dean, Harris & Co.
Investment Bankers
Bank of Hamilton Bldg., Hamilton, Ont.

Route Your Shipments
CANADIAN NATIONAL

TOWN OF
GREENFIELD PARK, P.Q.
6% BONDS
Due February 1st, 1947

The Town of Greenfield Park is situated on the south shore of the River St. Lawrence, immediately opposite the City of Montreal and adjoining the Town of St. Lambert.

The affairs of Greenfield Park are carefully and conservatively managed. Its total debt is less than 5% of its assessed valuation,—and its per capita debt is only $54.

Price: 100 and interest

RENE-T. LECLERC
Government and Municipal Bonds
160 St. James St., Montreal
Established 1901

Canadian National Railways
1st Mortgage Bonds
YIELDING
5½%

also other Government and Municipal Bonds, yielding income of 5¼% to 6¼%, with reasonable chances of appreciation in value.

Write us for particulars

C. H. Burgess & Co.
Bank of Hamilton Building
TORONTO

$20,000.00
Riordon Pulp and Paper Co.
Limited

6% General Mortgage sinking fund Gold Bonds, due Jan. 1st., 1929.

Carrying a bonus of 15% Kipawa Company stock.

Information on request.

CANADA BOND CORPORATION
LIMITED
TORONTO

Bought—Sold—Quoted
BONDS
Government
Provincial
Municipal
City
School

J. F. STEWART & CO.
106 Bay Street, - - - Toronto
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Profits
are regulated by the extent of efficiency in your business.

A small investment with us ensures big returns.

Carl B. Prosser & Co.
Efficiency Engineers
1011-12 C.P.R. Building, Toronto
Telephone Adel. 5663

FIELD OF MUNICIPAL FINANCE

NEED FOR CLOSER SUPERVISION OF MUNICIPAL LOANS*

Responsibility Devolves on Governments, Banks and Bondholders

EXPERTS NEEDED

Solution of Many Difficulties Might Be Found in Putting Financial Affairs in Hands of Experts

By E. M. SAUNDERS
Treasurer, Canada Life Assurance Co.

Many suggestions have been made for the adjusting of municipal financing, so that the interests of both the ratepayers and the investors shall be fully protected, but there is evidence that the financing of municipalities is not yet on a sound basis. When municipalities get into difficulties and find trouble in meeting their obligations, we naturally blame the governing bodies of these municipalities, and rightly so, but we must not overlook the fact that in many such cases the obtaining of credit has been made too easy for them. The maintaining of the credit of our municipalities generally at home and abroad is largely dependent on the close supervision of all their borrowings, and it would be well if investing institutions such as banks, bond houses and other lending corporations should take united action in this supervision.

I know of one of our larger banks that will not permit municipalities keeping their accounts with them, to issue debentures without first having produced satisfactory evidence that such expenditures are warranted. For instance, a by-law may be passed by a council for the extension of their water and sewerage mains into a particular district, and before consenting to this extension the bank requires a plan of the district so served to be submitted to them, showing that there are enough houses already constructed along the proposed route of extension to warrant the expenditure.

Separate Accounts

In connection with their banking arrangements we do not think sufficient care is exercised by either the municipalities or the banks with regard to keeping separate accounts for funds collected for a specific purpose. Extraordinary care should be taken to see that funds collected for sinking funds should be deposited in an account opened for that purpose at the bank. Reports reach us of cases where funds are raised under by-law for certain work and are used for some entirely different purpose. The Government should impose a heavy penalty upon any municipal official who could be held responsible for such misappropriation of funds. All taxes as collected should be kept in separate accounts at the banks for the respective years in which they were levied, and for the same reason advances from banks should be kept quite distinct from year to year and retired only from funds collected against the levy for the particular year in which the borrowings took place.

There is no question that in the past purchasers have on many occasions been too keen to secure the handling of municipal debentures without first having satisfied themselves as to whether the municipalities were warranted in making the expenditures, and the result is that many municipalities are now finding difficulty in meeting these obligations and in some cases are asking relief from the holders of these securities. In such cases, too, the purchasers of these securities seem to have quite overlooked the fact that they are not treating fairly those who are already the holders of securities of these particular municipalities, and whose position will be seriously jeopardized if the municipalities in question are allowed to carry their borrowings beyond the limit of safety.

Provincial Governments

There is also a duty devolving upon the Provincial Governments to protect the municipalities within their boundaries, both in respect to making unwise expenditures and also to be prepared to come to their assistance when they get into difficulties. In the past the Provincial Governments have been somewhat lax in the supervision of municipal expenditures as is indicated by the number that are looking for relief, but there is evidence that the Provincial Governments are now more alive to their responsibilities in this respect and are keeping a close check upon borrowings of their respective municipalities through their local Government and Public Utilities Boards.

The Provincial Governments are, however, lacking in the proper machinery which enables them to promptly come to the assistance of municipalities which find themselves in financial difficulties. This assistance does not of necessity have to be in the form of Government guarantee of securities, which would establish dangerous precedents, but might take the form of temporarily placing at the disposal of such municipalities the services of experts in municipal government. One of our Provincial Governments has before its house a bill providing for a commission to exercise these powers. This bill is not far enough advanced to be commended or criticized, but this particular Government is to be congratulated upon having seen the necessity of legislating to afford such relief. There is no reason why the holders of securities should be called upon to settle the difficulties of one municipality before the Government of the province has exhausted every effort to solve their troubles.

Municipal Responsibility

Having dealt with the responsibilities devolving upon Provincial Governments, banks and bond holders in protecting the investors in municipal securities, we come back to the responsibility of the municipality itself which is primarily responsible for the debts it incurs. The solution of this difficulty might be found in the placing in charge of the financial administration of the affairs of a municipality a man who has been thoroughly trained for this work, and his control should be such that he shall not be hampered by the whims of a council or the ratepayers. The salary of such an officer should be the largest paid by the municipality, as he will have greater responsibilities than any other civic official. There are many municipalities whose financial standing has been improved and maintained by the employing of such an official.

Investors in municipal securities are not entirely absolved from responsibility in connection with municipal debenture purchasing. All corporations or financial houses which make such investments, especially on a large scale, should keep in their employ an officer or officers fully qualified who should satisfy himself or themselves that the standing of the municipality whose securities are offered is without reproach.

Observe Investors' Rights

I cannot give expression to these few thoughts on this subject without sounding a note of warning to municipalities, when considering the readjustment of their affairs, against interfering in any way with the rights of the investors in their securities and without first consulting these investors. It is perhaps needless to warn such municipalities that any interference with these rights would most seriously affect their own credit, and also reflect upon the credit of all municipalities located within their own province.

As has been stated in the formal report of your committee on municipal financing, it is gratifying to know that, after the strenuous times experienced in financing during the war, there are comparatively few municipalities which find themselves in a position where it is necessary to ask relief from their creditors.

I am one of the optimists with regard to the future welfare of this great country of ours, with its wonderful natural resources still undeveloped. Our credit is good at home and abroad and it is up to every one of us to see that that credit is maintained. It has been repeatedly stated by many prominent men living to the south of us and abroad that Canada has a better chance and better facilities for adjusting affairs than any other country which has taken part in this great war, which has just been brought to a victorious termination.

*An address delivered before the Dominion Mortgage and Investment Association, Toronto, March 28, 1919.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

March 31, Vermilion, Alta.—$5,000, 6 per cent., 20-instalment debentures of the town of Vermilion, Alta.

March 31, Walkerville.—$45,000, 6 and 6½ per cent., 10 and 15 instalments debentures of the town of Walkerville.

March 31, Local Government Board, Regina.—Beaverside S.D. $800; Dinsmgore S.D., $10,000; Sussex, S.D., $700; Georgobia S.D., $2,000; Buffalo Hill S.D., $2,200, 7 per cent., 10-years; North Benson R. T. Co., $900, 7 per cent., 15-years.

April 7, McGillivray Township.—$12,135, 6 per cent., 10-instalment debentures of the township of McGillivray, Ont.

April 7, Alberta Education Department.—$33,650 in seven blocks of school district debentures, all bearing interest at 7 per cent. and running for 5, 10 and 15 years.—J. T. Ross, Deputy Minister, Edmonton.

April 9, Saskatchewan.—$3,000,000 in 5 per cent., 20-year bonds of the Province of Saskatchewan.—Hon. C. A. Dunning, Provincial Treasurer.

BY-LAWS PASSED OR DEFEATED

Kenora.—$10,474 for the issue of consolidated debt debentures, passed by council March 10.

Guelph.—$50,000 loan to Premier Rubber Footwear Co., carried by ratepayers, March 24. Bonds to be fifteen-year 5½s.

BY-LAWS TO BE VOTED ON

March 31, Bienville, P.Q.—$50,000 in 6 per cent., 25-year sinking fund bonds dated May 1, 1919, to provide for various municipal work.

April 5, York Township.—$200,000 for the purpose of buying out existing lighting systems in the township and adding thereto.

April 12, Scarboro Township.—$30,000 for the purpose of obtaining funds to provide for the erection of a township hall. Debentures, if issued, to bear interest at 6 per cent. and be repayable in 20 annual instalments.

DEBENTURE NOTES

Medicine Hat.—At meeting of council on March 17 it was decided to submit to the ratepayers a by-law providing for a loan of $50,000 to the Hospital Board, to be repayable in thirty annual instalments.

Bridgewater, N.S.—Ratepayers met on March 24 to consider proposal to borrow an amount not exceeding $50,000 for the improvement of streets.

Moose Jaw.—A poll of the ratepayers may be held on April 16 on a by-law providing for the expenditure of $200,000 for extension of electrical system.

Lethbridge.—An effort is being made by the city officials of Lethbridge to have embodied in the city charter an amendment, similar to that secured by Medicine Hat, which will enable the city to re-bond a certain portion of the debt falling due each year.

BRITISH COLUMBIA

The following certificate has been issued by the Municipal Department of the Province of British Columbia under date of March 15, 1919:

"The Corporation of the City of Trail Local Improvement Sewer Debenture Consolidating By-law," No. 209, $56,500, payable within twenty years with interest at 7% payable half yearly.

SASKATCHEWAN

The following is a list of authorizations granted by the local Government Board from March 8th, 1919, to March 15th:

School Districts—Rosthern, $35,000; xBuffalo Hill, $2,200; Dickson, $1,000. (x) Being included in next sale held by the Local Government Board.

The following is a list of debentures reported sold from March 8th, 1919, to March 15th:—

Rural Telephone Companies. — Flett Springs, $4,500; Oak Hill, $1,600, to W. L. McKinnon & Co., Regina; Fairdale, $700, to Wood, Gundy & Co., Saskatoon; Tipperary, $500, to Nay & James, Regina.

School Districts. — Foxdale, $200, to Allan, Gordon & Gordon, Regina; Spondon, $2,900, to Waterman, Waterbury Mfg. Co., Regina; Monmouth, $700, to Nay & James, Regina; Paragon, $500, to Wood, Gundy & Co., Saskatoon.

Towns.—Kerrobert, $5,128.21, to Nay & James, Regina.

Villages.—Fielding, $750, to W. L. McKinnon & Co., Regina.

BOND SALES

$11,205 Asbestos at 85 to 77¼; $3,600 Can. Cement at 100; $1,950 Cedar Rapids at 90 to 88½; $6,000 Dom. Iron at 99 to 89½; $500 Dom. Textile "A" at 99; $2,000 Dom. Textile "B" at 99½; $1,000 Lake of Woods at 100; $2,000 Montreal Trams. at 93; $1,100 Montreal Trams. debs. at 72¾; $11,000 Montreal (1922) at 101½; $109,100 Montreal (1923) at 102 to 101; $5,000 Quebec Rly. at 67 to 65; $33,000 Wabasso at 87½; $25,100 Wayagamack at 88¼ to 88; $217,450 Victory (1922) at 100¾ to 100¼; $656,455 Victory (1923) at 100¾ to 100¼; $90,700 Victory (1927) at 102⅞ to 102; $1,951,250 Victory (1933) at 105 to 104⅛; $308,080 Victory (1937) at 106 to 105½; $15,925 War Loan (1925) at 98¾ to 97½; $26,100 (1931) at 99¼ to 98; $132,700 (1937) at 100 to 99⅛.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place and Purpose.	Purchaser	Rate	Term	Amount	Price	Basis
March 15	Saskatchewan, phones	Various (see list above)	...	......	$7,300	......	....
15	Saskatchewan, schools	Various (see list above)	...	......	4,300	......	....
15	Kerrobert, Sask.	Nay & James, Regina	...	......	5,128	......	....
15	Fielding, Sask.	W. L. McKinnon & Co.	...	......	750	......	....
22	Port Arthur, Ont.	Wood, Gundy & Co.	6%	10-yrs.	11,700	101.675	5.75%
24	Smith's Falls, Ont.	Æmilius Jarvis & Co.	6%	20-ins.	10,203	103.03	5.64%
24	Quebec R.C. Schools	Wood, Gundy & Co.	5½%	35-yrs.	400,000	101.21	5.42%
25	Kenora, Ont.	C. H. Burgess & Co.	6%	30-ins.	10,474	......	....

INVESTMENT OPPORTUNITIES

We own and offer subject to prior sale the following attractive Government and Municipal Bonds:

Victory Loan	5½%	1922	1927	1937
Victory Loan	5½%	1923	1933	
Dominion of Canada (Guaranteeing G.T.P. Rly.)	4%		1962	
Government of Newfoundland	6½%		1928	
Province of Ontario (Hydro-Elect. Power Comm'n, Gtd.)	4%		1957	
Province of Alberta (E., D. & B.C. Rly., Gtd.)	4½%		1944	
Province of Saskatchewan	5%		1931	
Province of Saskatchewan	5½%		1934	
Province of British Columbia	5½%		1939	
City of Toronto (Guaranteeing Toronto Harbor Comm'n)	4½%		1953	
Montreal Tramways & Power Company, Limited	6½%		1924	

Particulars on request. Correspondence invited.

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With assets of over $97,000,000 and surplus of over $8,000,000 it has decided strength and safety.

Its policy, conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

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BRITISH COLONIAL
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You May Be a Rich Man, Some Day

Opportunities for making money are many, but it takes time for capital to accumulate even under the most favorable conditions. Every man of ability expects in the course of years to have sufficient to ensure to his family during their life time the comforts to which they have been accustomed. Unless an unexpected reverse of fortunes occurs there is little doubt but that you will make money. But "Many things may happen" while the money is being made. This is where Life Insurance comes in and makes available the means that would have been yours if health and life had been spared. You will be rich "some day," if you live, but **the insurance policy will anticipate for your family the accumulations of future years** and render sufficient means available even should you not survive to realize your ambition.

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INVEST YOUR SAVINGS
In a 5½% DEBENTURE of
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SECURITY

Paid-up Capital	$2,412,578.81
Reserves	964,459.39
Assets	7,086,695.54

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1. Will the ending of the war help or hurt the price of such stocks as Baldwin, Bethlehem Steel, Midvale, etc.?
2. Are the coppers "peace" stocks or "war" stocks? What class do the automobile stocks come in? The oils?
3. Among the rails, are the standard dividend-payers or the low priced non-dividend payers the thing to buy?
4. As the war draws to its end, what is likely to be the course of interest rates? How will that affect the price of bonds?
5. Which are the best bonds to hold—the high-income producers or the old line investment issues?
6. Are short term notes or long term bonds the better proposition at present?
7. Does the putting into effect of the new tax law mean a general reduction in industrial dividends?
8. Can the stock market rise in the face of the tight money situation?
9. New influences on security prices are beginning to become operative. Do you know how to go about adjusting your investments so that you will be helped and not hurt?

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THE INVESTMENT WEEKLY
42 BROADWAY — NEW YORK

REAL ESTATE AND INSURANCE

APARTMENTS ARE ONLY SOLUTION OF HOUSE PROBLEM

Toronto Should Not Hamper Progress by Restricting Erection

REAL ESTATE ACTIVE

More Trading in Real Estate in Toronto During Last Three Months Than Since War Started

Despite the increasing demand for housing accommodation in Toronto, the city still continues to oppose the erection of apartment houses. Land is now so expensive in the central parts of the city that the speculative builder cannot afford to pay the prices asked and erect a house for one family. The only solution to the housing problems for the city is the erection of apartment houses and the city is merely delaying progress and hindering development by continuing to refuse permits for apartment houses.

With a tax rate approaching 30 mills. builders are not encouraged to build houses for rent, as the rents from the property would not be sufficient to pay the interest and taxes and the carrying charges. On the other hand, if the city would permit these builders to erect apartment houses of sufficient size to warrant their erection which would show a good interest on the investment, there are several builders in Toronto who would start building right away.

The erection of apartment houses is looked on with favor by the loan companies who would be prepared to loan on them. On the other hand, the city could restrict their erection to certain areas of the city, having in mind the cleaning up of numerous shacks which encumber valuable property and serve to keep the taxes at a high level. Not only this, but the assessment value of the property in the city is thereby increased, and accordingly more revenue is derived, resulting in advantage not only to the city and to the appearance of the city, but to the builder who puts up the buildings. In New York city and other large cities in the United States the erection of the apartment house has been encouraged and as a result, the value of property over a given residential area is several times greater than that of the city of Toronto.

There has been more trading in real estate in Toronto during the last three months than any other three months since the war started. This is attributable to the marking down of prices during the war and the scarcity of houses. Owing to the lack of housing accommodation, due partly to the fact that the city has steadily prohibited the erection of apartment houses, people are unable to get their apartments or houses. These people, where they can afford to do so, are forced to buy, and in many cases are getting bargains and buying property much below its actual value. This situation is caused by owners who have hung on during the war when it was practically impossible to sell and are now forced to sacrifice for ready cash.

During the war values of every kind were thrown overboard and real estate like other commodities was marked down. As the buying movement increases in strength prices will tighten up, new buyers coming in will tend to increase prices. Toronto is in for a further advance in rents both for houses and apartments; even now, rents are not yet back on the pre-war basis and as leases expire in April and May further advances will be made.

Just how long the "jacking up" process can continue remains to be seen but it is safe to predict that it will not end until the properties show a reasonable return on the investment. During the war, when many houses were vacant and others were renting for low rents, there was not sufficient revenue derived to pay the carrying charges, and the owners took their losses stoically and patiently waited until their turn came.

Real estate, which up to that time was looked on with a great deal of favor by the insurance companies, trust companies and loan companies and some large industrial concerns for investment purposes, did not look so good and they started to divert money for investment into other channels. As prices continue to advance and rents go up, these companies will start to again look with favor on this form of investment and will eagerly seek to loan money on first mortgage security.

There are thousands of feet of land within the city limits for sale at prices as low as $12 per foot, but lack of transportation and inaccessibility prevent the building up of this property. Until such time as there is rapid transportation there will not be much building activity on this land.

If and when the city of Toronto takes over the Toronto Street Railway in 1921, it will have to provide fast transportation to outlying parts of the city at a five-cent fare or less. In the meantime thousands are daily coming into the city and in a short time the situation, which is now serious, will be worse.

If the city will look ahead and anticipate this influx and shortage of houses, they will immediately pass a by-law to encourage the builder to commence the erection of apartment houses, and in this way assist to relieve the shortage.—A. B. K.

SECURING CONTROL

Messrs. Carson and Williams Obtain Stock of London Mutual

Negotiations are being completed by Captain F. D. Williams and Hugh C. Carson for the purchase of all the shares of the London Mutual Fire insurance Co. For some seven years these have been held by the London and Midland Insurance Company. This new arrangement will end the litigation which has been pending for some years. The company is one of the oldest in the field in Canada and it should be satisfactory to all concerned to have the shares and control back in this country.

MORE ENDOWMENTS

Higher Premium Policies Are in Greater Demand This Year

During February the Imperial Life Assurance Co. issued $1,901,577 new business and made a gain of $1,590,151 in assurance in force. For the first two months of the year business issued exceeded $5,000,000. The assurance in force now amounts to $77,038,673. The Imperial notes an increase this year in the number of the higher premium plans of insurance which have been issued and a decrease in the number of temporary contracts. At the end of 1918, the number of endowment policies on the books of the company was approximately 40 per cent. of the number of life contracts. Of the new business written in 1919, the endowment policies represent 55 per cent. of the number of life policies.

CONVERSION OF POLICIES APPROVED

How United States Soldiers and Sailors May Change War-time Insurance

Regulations governing the conversion to standard forms of life insurance of all war-time term insurance taken out by soldiers and sailors of the United States have been approved by Secretary of the Treasury Glass. After conversion this insurance will be known as Government life insurance.

The forms of policies which may be had in exchange for the war-time term insurance are: Ordinary life, 20-payment life, 30-payment life, 20-year endowment, 30-year endowment, and endowment payable at age 62. The premium rates for these converted policies are lower than those charged by private insurance companies. The policies contain exceedingly liberal privileges, providing for cash and loan values, paid-up and extended insurance, and further providing that the insured will be paid for life a monthly income in the event that he becomes totally and permanently disabled. All of these policies are incontestable from date of issue and are free from restrictions as to residence, travel, or occupation. The holders of the policies will be eligible to share in and receive dividends from gains and savings, and the proceeds of the policies are exempt from all taxations.

Premiums on the new forms of Government life insurance are payable monthly, but may be paid annually semi-annually, or quarterly. The monthly premiums, due the 1st of each month, may be paid at any time during the month.

Secretary Glass has expressed the opinion that the unusual values and liberal provisions of the new form of Government life insurance policies should encourage all holders of war-time term insurance to convert as rapidly as their financial circumstances will permit, and in any event to continue without fail the largest possible proportion of their present insurance.

The late J. R. De Lamar, of New York, president of Dome Mines, left an estate of $28,000,000. He owned 27,100 of Dome Mines valued at $216,800 and 548,200 shares of Dome Extension valued at $82,305. The estate is one of the largest ever filed in the Toronto courts.

WINE CELLAR BURGLARIES ARE COMMON

Companies Writing Burglary Insurance Having Their Troubles

SOME LIMIT THE LOSS

Adopt Rule Limiting Loss Payable to $50; Others Refuse to Insure Cellars or Shops at All

While the Canadian Commons are debating what to do with wartime restrictions on the liquor business, while suit cases of visitors to Toronto from Montreal trains are the object of misdirected suspicion, and while the Quebec Legislature in preparing a beer and wine referendum, the insurance companies have their own pretty little problem to face. It is all because of the old principle of supply and demand. The supply is getting short as well as the time, hence the wave of popularity that is becoming manifest. The liquor shops have an increased patronage, not so much through the front doors, as by the cellar windows. And by the same token, as far as the insurance companies are concerned, the cellar window is the latest approved means of entrance and egress for the much prized store in the private cellar. It is this lowly method of testing the bottles that is getting on the nerves of the companies, such of them as write burglary insurance. For the last few months there has been one of the worst outbreaks of wine cellar burglary that has ever been the experience of these insurance companies.

And this is not the most serious part. With the "burglary" clause goes one for "theft and larceny." And theft and larceny apply rather to the cellar stairs than the cellar window. In other words the popularity of the "stores" down below has extended to the servants. And in some quarters it is even suspected that the "proprietors" of the valued cases, when they find them disappearing more rapidly than they either expected or liked, have filed claims for "disappearance" under the burglary clause that might, if the truth were known, be applicable rather to simple consumption of the thirsty inmates.

The ordinary charge for burglary insurance is $7.50 for $1,000. At today's prices a few dozen bottles come quite high for the insurance companies in adjusting claims, and they have gone on strike. Some have gone so far as to refuse to insure "wine cellars," or liquor stores; others have adopted a rule that limits the loss payable to $50. One well known company was described by a friend as "nearly crazy" over the losses it had had to pay of late.

But cellars and liquor stores are not the only ones that are being set out of bounds by the insurance companies. Drug stores, haberdashery and tailor establishments have been placed on the black list as well in some cases. One Canadian company had to settle for over $600 a short time ago from thefts of liquor and "dope" from a drug store. The latter is among the most costly of contents in some stores, and can be carried off readily, and is seldom recovered. The tailoring establishment, on the other hand, carries bolts of cloth, almost worth their weight in gold, and these are very tempting to the burglar. It is even hinted that men who cannot longer afford a suit of clothes have been "driven to it." Which recalls a cartoon of a few days ago where two men are depicted gazing in a men's wear window,—they are clothed in silk hats, canes, patent leather shoes,—and bathing suits. In the window is a suit, marked "Special, $500." Their only comment, "Once we used to wear one."

There is one other line that is looked at askance by the insurance men these days, furs. There have been more than the usual number of thefts of these, and the difficulty is that they are not easily identified, and their recovery is very difficult, and seldom accomplished.

The manager of one of the largest casualty insurance companies told THE FINANCIAL POST that this end of their business last year had been carried on at a loss. He hoped conditions for the present year would show some improvement.

PACIFIC COAST FIRE

Company Increased Its Premium Income and Reduced Losses

The annual report of the Pacific Coast Fire Insurance Company for the year ending December 31st, 1918, was submitted to shareholders at the annual meeting held at the head office of the Company, 330 Pender St., W., on Wednesday, March 12th. The company wrote a gross premium for 1918 of $240,897 as against $206,484 in 1917. The net premium written was $173,155 as against $138,748 in 1917. The company's loss ratio showed a decrease of 2 per cent. for the year, being 53½ per cent. for 1918 and 55½ per cent. for 1917. The expense ratio remained the same, 36 per cent., despite the increased cost of doing business. The company continued its policy of charging the entire earnings of the company to reserve and surplus accounts. The amount this year so appropriated was slightly over 5 per cent. of the paid-up capital of the company. During the year the company purchased $35,000 Victory Loan and now holds $136,000 of war bonds. The net profit from underwriting was $10,580.

For the well groomed man
TEXEND BRACES
Finer than the imported
The Dominion Suspender Co. Limited
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No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

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Grand Organizer. — Grand Medical Ex.
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Assets, over - - $3,500,000.00
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Fire, Marine, Explosion and Automobile Insurance.
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F. GORDON OSLER.
SIR WILLIAM MACKENZIE.
W. G. ROSS.

ANNUAL REPORT OF THE DIRECTORS

Submitted to the Shareholders at the Annual General Meeting of the Company in Toronto, on Monday, March 24th, 1919.

Your Directors submit herewith the Balance Sheet of the Company as upon the 31st day of December, 1918, the Statement of Profit and Loss for the year, and also the Certificate of the Company's Auditors, Messrs. Price, Waterhouse & Company, Chartered Accountants.

The policy of making ample provision for Depreciation has been continued, the sum of $577,512.87 having been reserved for this purpose.

The net Profit for the year shows an increase of $302,886.76 over the preceding year, and after the payment of Dividends at the rate of 8% per annum on the Common Stock and 7% on the Preference Stock of the Company, there remains a surplus of $656,483.67. This amount, added to the balance at the credit of Profit and Loss from the preceding year, made a total of $1,122,776.67, from which must be deducted the sum of $600,000.00 which has been transferred to our Reserve, making a total of $4,600,000.00 at the credit of Reserve, which, together with the balance of $522,776.67 at the credit of Profit and Loss, makes a total Surplus of $5,122,776.67, which is equal to over fifty per cent. of the par value of the Company's shares, both Common and Preference.

The total amount reserved for Depreciation amounts to $4,336,182.20, or over thirty-five per cent. of the book value of the entire Capital Assets of the Company.

The Company has no outstanding Bonds, Debentures, Mortgages, or prior liens of any description other than a nominal charge of $22,500.00 on property purchased, on which an existing mortgage which is still current is not yet due.

Following the usual policy of the Company, our Inventory has been taken at or below cost, and adequate reserves have been provided for shrinkage in the value of materials, which in the case of copper and other metals has been very considerable. Ample allowance has been made for any articles not readily saleable, and any goods that may have become obsolete have been inventoried at their scrap value.

During the year the Company inaugurated a new sales department for the distribution of Automobile Accessories and Supplies. This department has shown satisfactory development, and has become an important factor in the distribution of the Company's output.

FIRE INSURANCE

The Company has made it a practice to see that all of its buildings and contents are fully covered by insurance, and some idea of the importance of this item may be realized when our Shareholders understand that the aggregate of fire insurance that we consider it necessary and advisable to carry amounts to $14,820,540.00.

EXTENSIONS TO IRON FOUNDRIES AT TORONTO AND MONTREAL WORKS

At our Davenport Works in Toronto our foundry capacity has been inadequate to handle the large tonnage and work required for marine engines, etc. The main building was 120 x 300 feet, with a floor area of 36,000 square feet. In August last an extension 160 x 120 feet was decided upon, and this has now been completed at a cost of about $70,000. The additional floor area secured amounts to 19,200 feet, or more than 50% increase. The extension is served by the same cranes as in the original building, that is to say, two twenty-ton cranes, but a new five-ton crane has been added to one of the lean'to's at a cost of $7,000. The design of the building, which is of concrete, brick and steel, has been carried out to correspond to the original structure, and it was completed and put into use late in December.

At our Montreal Works the original Grey Iron Foundry building was 200 x 100 feet, equal to 20,000 square feet, and during the year an extension was authorized and completed 100 x 100 feet in area, or an additional 10,000 square feet of floor space, giving a 50% increase of available floor area. Work was started in April and the new building was in use in July, the twenty-five-ton cranes in the original building being used in the new extension, the craneways having been extended the full length of the building. A new Core Oven building was also added to balance up the complete unit for the increased capacity. The cost of these improvements and extensions amounted to $27,236.24.

NEW WAREHOUSE BUILDING.

The growing demands of our business resulted in a lack of accommodation at our Head Office Building for our Executive, Engineering and Clerical staff, as well as Warehouse and Show Rooms for our Electrical Supplies Department. In order to provide adequate facilities a handsome new building, devoted exclusively to the warehousing and sale of electrical fittings and supplies, and automobile accessories, has been erected at a cost of about $175,000.00 This new building adjoins our present Head Office building with a private lane in between which affords splendid shipping facilities. The building is of mill construction, six storeys and basement, measuring 48 x 185 feet. A feature of the new building is the arrangement and organization which makes it possible to give an exceedingly prompt service.

REVIEW OF OPERATIONS DURING WAR PERIOD

Now that active war conditions have ceased and we have entered upon a period of reconstruction it may not be out of place to briefly review the rapidly changing conditions that have been experienced by the Company from the beginning of the war until the present.

Immediately after the declaration of war by Great Britain in 1914 this Company, in common with many other industries in Canada, experienced a very serious setback. New orders were not forthcoming, and many orders in hand were cancelled, and so serious became the situation that it was necessary to make a horizontal reduction of 20% in the wages of the staff. This drastic policy enabled us to keep our complete organization together without dismissals, and it is a matter of congratulation that after a lapse of a few months, business commenced to revive as a result of war orders for munitions, foodstuffs, and other military requirements being diverted to Canada, and a period of stagnation was rapidly changed to one of great activity. By the end of the year we had so far recovered our position that your Executive were able to grant a bonus to our staff equal to the full amount of the 20% reduction previously made, and from that time until the Armistice was declared, the difficulty had been to secure sufficient labor to take care of the contracts offering.

MUNITIONS

During the years 1915, 1916, 1917 and 1918 the Company manufactured and shipped orders for munitions of various types amounting in value to $15,287,284.42. In order that Shareholders may have knowledge of the manner in which the Company adapted its policy to changed conditions, and how quickly it reorganized its plants in order to keep its manufacturing facilities employed, attention is drawn to the wide range of munitions for which contracts were accepted and completed, and as the manufacture of munitions is one of the most difficult and precise of manufacturing problems, your Executive feel that our staff, including our Engineers, Experts and Workmen, are entitled to credit for their resourcefulness and for the successful accomplishment of a very difficult task.

Our output included:—

Shell Forgings	9,376,369	of various sizes and types.
Machining and Assembling	1,455,010	shells of various sizes and types.
Manufacturing	2,311,658	Brass Cartridge Cases.
Manufacturing	4,506,618	Brass Primers.
Manufacturing	2,275,311	Component Parts, such as plugs, discs, etc.

Of the gross total there was supplied to the British Ministry of Munitions, through the Imperial Munitions Board, munitions to the value of	$13,682,539.95
To the British Admiralty	130,318.00
To the U.S. Army, Ordnance Department	1,474,426.47

MARINE ENGINEERING.

Early in the year 1918 your Directors formed the impression that the end of the war could not be long delayed and, therefore, the policy was adopted of casting about for new lines of manufacture that would keep our facilities employed after orders for munitions should cease, and fill the gap during the time intervening between the cessation of war orders and the reconstruction of trade channels through which we would again commence to receive orders in adequate volume for our normal output under pre-war conditions. Having in mind that the Mercantile Marine of the Allied Countries had been steadily depleted and that many orders for cargo ships were being placed in Canada and the United States, we devoted our energies to securing orders for marine engines, boilers, and other auxiliaries.

The great activity in the shipbuilding industry had resulted in the opening up of many new yards in both Canada and the United States, and while the old established plants were equipped to build the ship machinery required for their own requirements, the majority of the newly organized yards, and many of the older ones, were compelled to enlist the co-operation of other machinery builders to enable them to meet the unusual demands and attain maximum production.

As our plans in Toronto were well equipped for undertaking the manufacture of marine engines, in sizes ranging from 200 H.P. up to 4,000 H.P., and of Scotch marine boilers of the largest size required for ships up to 10,000 tons capacity, as well as practically all other ship auxiliaries, important contracts were secured during the year for machinery and equipment for installation in ships building both in Canada and the United States.

Including the machinery required for the four 3,500-ton Steel Cargo Steamers building at our Niagara Shipyard, but not including the ships, the orders for Marine Engines, Towing Engines, Scotch Boilers, Condensers, Ships' Winches, Shafting, Propellers, and other Ship Auxiliaries, at the end of the year amounted to $5,490,707.00, the contracts in question being received either directly from, or for account of:—

Imperial Munitions Board Dept. of Naval Service Dept. of Marine	$1,602,12.00
Government of the Republic of France	853,487.00
U.S. Shipping Board Emergency Fleet Corp. U.S. Navy U.S. Army Embarkation Service	3,034,808.00
Total as above	$5,490,707.00

Of which amount approximately $4,000,000.00 is carried forward into 1919.

PATRIOTIC AND BENEVOLENT ACTIVITIES.

During the four years of warfare this Company assumed a generous and patriotic attitude in regard to contributions for patriotic and benevolent enterprises, and has subscribed and disbursed the sum of one hundred and fifty thousand dollars for such purposes as the Patriotic Fund, Red Cross Society, British Sailors' Relief Fund, etc.

The Company raised and maintained a Detachment of twenty-five electrical and mechanical engineers; that is to say, the Government were under no charge whatever on account of these officers and men except for food and clothing, their normal wages being paid by the Company throughout the whole period of their service. Their duties were principally in connection with electrical and mechanical engineering work such as the installation, repairing and operation of searchlights, electrical connection of mines, erection and wiring of buildings, installation, repairing and operation of electrical plants, oil and gasoline engnes, and other duties usually assigned to the Royal Canadian Engineers.

This Company was further a generous subscriber to the various Dominion of Canada War Loans, the subscriptions of the Company in all, for the various Loans, amounting to $6,500,000.00, of which we were allotted $4,520,000.00. As the investing demand increased we effected sales, and at the close of the year our holdings of War Loan Bonds were reduced to about $2,000,000.00.

Your Directors have pleasure in advising the Shareholders of the very generous subscriptions to the several Loans by the employees of the Company, which amounted to upwards of half a million dollars, which is an illustration of the spirit which dominated all classes of the Canadian community, who supported Canada's participation in the war for freedom and justice to the fullest extent of their ability.

OUR HONOUR ROLL.

Your Directors believe that our Shareholders will be much interested in having placed before them information as to the number of men previously employed by the Company who enlisted for service in the Canadian Army, and the following figures speak eloquently of the manner in which Canadians of military age in every walk of life assumed the responsibility of the defence of the Empire. While the figures below show that a very considerable proportion of our own employees enlisted for service, public records show that similar patriotic sacrifices were made by industrial workers throughout the Dominion.

	Officers	N.C.O.'s	Privates		Totals
Enlisted	45	99	932		1076
Killed	6	11	36	53	
Wounded	4	20	49	73	
Prisoners	1	2	1	4	
Missing	1	1	7	9	
Invalided Home	0	7	22	29	
				—	168

PRESENTATION TO MR. W. D. MATTHEWS.

On December 27th, 1887, or thirty years ago, a syndicate of ten persons was organized by myself, each of the ten subscribing a sum of $1,000.00, or $10,000.00 in all, for the purpose of investigating opportunities for the profitable development of the electrical enterprise in Canada. Inquiries were made, and shortly after the formation of the syndicate the members organized the Toronto Incandescent Electric Light Company, and again, three years later, our present Company, the Canadian General Electric Company, which has since been operated along conservative lines, until to-day the paid-up Capital is $10,000,000.00, Reserves $5,122,776.67, total Assets $21,692,471.79. Perhaps the most gratifying feature of the history of the Company is the fact that it has earned and paid dividends since its inception, amounting in all to $10,021,082.14, and to-day has a Reserve Fund equal to over 50% of its paid-up Capital, ample Reserves for Depreciation, and has practically no Bonds, Debentures, or prior liens of any kind outstanding. The original Directors of the Company served continuously as Directors for the unusually long period of twenty-five years, with one exception, but to-day Mr. W. D. Matthews, one of our Vice-Presidents and Chairman of the Board, and myself are the only surviving members of the original Board.

The Directors of the Company took advantage of the occasion of the thirtieth anniversary of Mr. Matthews' connection with the Company, first as a member of the original syndicate and thereafter as Vice-President of the Company, to present him with a handsome hand-carved silver bowl and pedestal, and at the same time they gave expression to their appreciation of Mr. Matthews' valued services to the Company.

PROSPECTIVE.

It is quite impossible at the moment to forecast the future trend of business. In some quarters the greatest optimism prevails, and others hold the view that the period of dislocation of trade will be more or less prolonged. Fortunately this Company has unfilled orders on hand to keep most Departments busy for some months to come, and by the next few months the future situation should become less obscured. The several Governments of Canada, Federal, Provincial, as well as Municipal, throughout the Dominion have forecast the construction of public buildings and public works, railway extensions and good roads that will necessitate the expenditure of several hundred millions of dollars, but owing to the Canadian winter climate outside operations cannot commence for some weeks. By the early summer, however, all of these enterprises should be under way and industry reaping an advantage in increased activity.

It is further expected that Canada will participate in a fair percentage of orders for manufactured products that will be required in connection with reconstruction in Europe, so that it may reasonably be hoped that this Company, as in the past, will be able to secure a satisfactory proportion of the business that may be offering.

Your Directors record with regret the death of Sir Rodolphe Forget, who had been a Director of the Company since April 15th, 1901.

FREDERIC NICHOLLS, President.

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED
AND SUBSIDIARY COMPANIES
Consolidated Balance Sheet, 31st December, 1918

ASSETS

Capital Assets—		
Land, Buildings, etc., at Toronto, Peterboro, Bridgeburg, Stratford, Montreal, Branch Offices, and Power Plant at Nassau		$ 6,810,168.29
Machinery and Tools		4,692,056.89
Patterns and Drawings		796,966.67
Patents, Contracts and Goodwill		1.00
Total Capital Assets		$12,299,192.85
Current Assets—		
Inventory of Raw Material, Supplies, Work in Progress and Finished Raw Materials, including expenditures on Contracts (less collections on account)	$5,280,385.94	
Accounts Receivable (less reserve for doubtful debts)	3,140,491.07	
Investments	654,486.29	
Cash on hand and in Banks	254,477.53	
Prepaid Insurance Premiums, etc.	63,438.11	
Total Current Assets		9,393,278.94
		$21,692,471.79

FREDERIC NICHOLLS, President.
W. D. MATTHEWS, Vice-President.

LIABILITIES.

Capital Stock—		
Common—Authorized	$10,000,000.00	
Issued		$ 8,000,000.00
Preferred—Authorized and Issued		2,000,000.00
		$10,000,000.00
Mortgage Obligations on Properties Purchased		22,500.00
War Tax and Contingent Liabilities		693,392.60
Current Accounts Payable		1,357,620.82
Dividend on Common Stock, paid 1st January, 1919		160,000.00
Reserve for Depreciation		4,336,182.20
Surplus, per Account Annexed—		
Reserve	$4,000,000.00	
Profit and Loss Balance	522,776.67	
		5,122,776.67
		$21,692,471.79

With our certificate of this date appended hereto.

PRICE, WATERHOUSE & CO., Auditors.

Consolidated Surplus Account

Profit for the year ended 31st December, 1918, before providing for Depreciation	$2,013,996.54
Less—	
Reserved for Depreciation of Permanent Plants	577,512.87
Net Profit for the Year	$1,436,483.67
Less—Dividends Paid	780,000.00
Surplus for the Year	$ 656,483.67
Add—	
Undivided Profits as at 31st December, 1917	466,293.00
	$1,122,776.67
Deduct—	
Amount transferred to Reserve	600,000.00
Balance at Credit of Profit and Loss Account	$ 522,776 67
Reserve, after including the above amount of $600,000	4,600,000.00
Surplus per Balance Sheet	$5,122,776.67

MORE AMERICAN CAPITAL WILL BE SENT TO CANADA

That is Consensus of Opinion of Big Financiers of the States

GUAR. TRUSTS' MOVE

Consolidation of Interests of Big American Financial House and Meredith & Co., Montreal, Evidently Significant

By Special Representative

NEW YORK.—What direction will the investment of American capital within the Dominion of Canada follow in the coming years? There seems to be no division of opinion among Canada-American bankers and financiers that the future will bring a further and more complete penetration of this country's surplus capital in the neighboring Canada. Such outstanding men as Thomas W. Lamont of J. Morgan & Company and H. P. Willis, former secretary of the Federal Reserve Board have predicted in full confidence the development of that community of action and interest which was built up between the two countries during the war period, with the return of peace. But an official announcement emanating from the Guaranty Trust Company this week raises the question as to the possible financial assistance which Canada may expect from now on.

"Canadian financing has heretofore been done largely in England. American capital invested there has been in a few lines not largely representative of the Dominion's chief industries," says the Guaranty Trust Company's statement.

New Funds for Canada

But the Guaranty Trust Company which itself is likely to become a direct factor in the Dominion's future financial needs believes that funds for Canada will be obtainable here. "The present financial strength of the United States, together with the promise of great expansion both in transportation and in industry which is generally looked for in Canada, provides an opportunity for a closer relationship than has heretofore existed."

"The proportion of American capital invested in Canadian enterprises is expected to increase from this time forth," say the Guaranty Trust, a statement which is particularly significant at a time when this influential American Corporation has linked up with Canadian interests in the new formed United Corporation, Ltd., which is representative of the Guaranty Trust Co. and C. Meredith & Co., Ltd., of Montreal. Offices operated by the Meredith firm in Montreal and Toronto will be taken over by the new organization. Harold Stanley, vice-president of the new concern is a vice-president of the Guaranty Trust Company, as also are the following directors of the new organization: Alfred Breton, W. P. Conway and E. W. Stetson.

Canadian Loans in U. S.

American holdings of Canadian securities at the present time approximate $500,000,000. A summary of the Government, municipal and corporation loans placed by the Dominion in the United States and at present outstanding according to a compilation for the Federal Reserve Board follows:

Government	$180,000,000
Municipal	116,060,662
Railroad	63,349,000
Public utility	71,767,500
Industrial	31,486,793
Total	$462,663,955

An Economic Factor

Raleigh S. Rife of the Guaranty Trust Company, treating this week on the investment relations between Canada and the United States, said that there are certain signs which would indicate that after the declaration of peace the financial relations between the two countries should become more important than they were before the outbreak of the war. Mr. Rife offers the interesting thought that one of the important factors in the relations between Canada and the United States having been the movement of peoples between the two countries, "one of the important economic results of the war will probably be an increase in the movement and it is not unlikely that the great Canadian Northwest will be further developed by the sturdy men of our great middle west who have had their spirit of adventure quickened and naturally the opportunities of this region will make an appeal to them."

Americans Know Canada

"Because we know Canada better than perhaps any other country and because of the Dominion's great opportunities," says Mr. Rife, "our country ought to play a more important part in the development of the natural resources of Canada which will be beneficial to the industry and enterprise of both countries."

The Drift of Capital

Analysis of the Canadian loans at present outstanding in this country shows very clearly the small proportion of American capital which has been invested in Canadian industrial offerings. Holdings of $31,486,793 of these corporate obligations represent but 7 per cent. of the Canadian loans which remain to be liquidated here. Is it not probable then that the new drift of American funds will be toward building up Canada's industrial fabric?

BLUE-SKY LAW MAY NOT PASS

Likely to be Referred to a Commission For Further Investigation

When Hon. I. B. Lucas introduced on Wednesday the bill which the Ontario Government has had under preparation for some time for the purpose of regulating the sale of shares, bonds, debentures, and other securities, he intimated that, owing to the objections which had arisen, particularly among the mining interests of the province, it might be advisable not to pass it this session, but to refer it to a commission that would study the whole question.

The bill, as introduced, provides for the appointment of a commissioner, to whom is given wide powers in passing upon stock and bond issues. Generally speaking, the act is to apply to all companies other than those specifically exempted by the act. There is a list mentioned in the act which is not covered, and it includes bonds of or guaranteed by the Dominion or Provinces, or Government Commissions, bonds or debentures of or guaranteed by municipal corporations, schools corporations, banks, the sale of pledged stock, etc., by a company to its own shareholders. No interference will take place with the sale of shares "when not made in the course of continued and successive acts."

For all other "shares" (which includes stocks, bonds, debentures and other securities) sale is prohibited unless the company is first registered under the act. Registration under the act may be secured by the company submitting a statement showing the plan upon which the company proposes to transact, or is transacting, its business, copies of all contracts, etc., an itemized statement of the company's financial condition, and generally any information the Commissioner may require.

Having this information it is stipulated that the Commissioner shall examine into the data, and unless it appears to him that the company is insolvent, that its plan of business, contracts, etc., do not provide for a just and equitable transaction of business and a fair return on the shares offered for sale, he shall register the company and issue a certificate or registration, with, however, a caution that as Commissioner, he does not recommend the purchase of any shares.

EASTERN CAR

At the annual meeting of the Eastern Car Company the directors recommended for payment a dividend of six per cent. on the preferred shares. Two years' dividends were due on this stock, and the dividend now declared, and which is payable April 15, is for the year 1917. It was decided not at this time to pay a dividend for 1918. The company has orders from the Government that will keep the shops going for three months.

UNLISTED SECURITIES

STOCKS—	Bid	Ask
Alberta Pac. Grain, com.	122	130
Alberta Pac. Grain, pref.	85	95
Belding-Paul, pref.	81	85
Do., com.	30	34
British Amer. Ass. Co.	9	..
Canada Machinery, com.	21	24
Canada Machinery, pref.	48	53
Carriage Factories, pref.	38	45
Can. Marconi	2¼	...
Can. Mortgage	69	77½
Continental Life	15	24
Canadian Westinghouse	108	115
Canadian Oil, com.	41	46
Canadian Oil, pref.	100	106
Dom. Manufacturers, pref.	45	55
Dom. Power & Trans., com	42	47
Dunlop Tire, pref.	90	95
Eastern Car, pref.	48	55
Great West Life	220	230
Home Bank	78	82
Imperial Oil	355	380
Inter. Milling, pref.	85	88
Lambton Golf	410	450
Massey-Harris	105	135
Universal Tool Steel	...	6½
Wm. Neilson com.	54	..
Sterling Coal, com.	14	16
Sterling Bank	91	95
Standard Reliance	41	43½
Trust & Guarantee	82	85
Western Assurance	8	10
BONDS—		
Amer. Salesbook, 6s	90	...
P. Burns, 1924, 6s	100	105
P. Burns, 1931, 5s	96	99
Eastern Car, 5s	89	95
Mex. North. Power, 5s	13	17
Morrow Screw, 6s	88	90
Nova Scotia Steel, Db., 6s	88	91
Ontario Pulp, 6s	88	92
Sterling Coal, 6s	71	76
Stone Limited, 6s	94	98
Toronto Power, 5s	87	92
Tor. & York Radial, 5s	97	99
West. Canada Power, 5s	57	61

RAILWAYS WOULD BE RID OF HOTELS

United Company Has Been Approached by Both C.P.R. and G.T.R.

Frank A. Dudley, of Niagara Falls, president of the United Hotel Company, was in Toronto during the week in connection with the company's affairs, and it is understood that in considering the annual figures, the policy to be followed with regard to a common dividend was discussed. No announcement has been made as to the course favored, but in view of the profitable returns and the outlook for continued good business, it is believed that a distribution will be made. It is understood that profits of considerably better than $100,000 will be shown for the first year despite the difficulties incidental to reorganization and building operations.

Regarding the negotiations between the United Hotel Company and the Grand Trunk for the taking over of the company's hotels, Mr. Dudley did not think the recent developments in the affairs of the railway had great significance; he did not thing the Government would be any more likely to want to operate the hotels than the company. At the same time Mr. Dudley made it clear that as regards both the Grand Trunk and the Canadian Pacific, the overtures had been started by the railways, and they had not gone far enough to indicate the income. Further, he emphatically stated that the United Hotel Company would not undertake the operation of these systems unless there was reasonable assurance that they could be successfully handled from the standpoint of the public as well as investors.

Through Government co-operation the company is planning for a string of hotels in South America which it is considered necessary to facilitate the development of American trade in southern countries. Mr. Dudley explains that Governmental negotiations move slowly, but that they are approaching consummation in Peru. The company has also been negotiating with the controllers of the Clifton House at Niagara Falls, but as yet nothing definite has been arrived at.

GENERAL STATE OF BUSINESS IS STILL FAVORABLE

Continued from page 1

and that the retail trade must inevitably come to an appreciation of this fact and commence to replace depleted stocks on a more extensive basis. The very fact that the waiting attitude of buyers has failed to shake prices is evidence that these are very firmly entrenched on the higher price-level established during the war. As Professor Irving Fisher of Yale remarks, "Business men are going to find out that the clever man is not the man who waits, but the one who finds out the new price-facts and acts accordingly."

The steel situation appears to have become more settled and the readjustment is about complete. This w[illegible] have a stimulating effect all through industry and trade, for it will give buyers a fixed basis on which to figure. As a matter of fact, steel production is being maintained at a level which should prove reassuring. The American Iron and Steel Institute estimates February production of steel ingots at the rate of 40,900,000 gross tons per annum, or 83.6 per cent. of capacity. The best month last year was September, when production was at the rate of 46,800,000 gross tons per annum.

It is anticipated that construction throughout Canada will be carried on this year on a scale that will provide extensive employment to labor and will bring good business to manufacturers of and dealers in building materials and supplies. February figures of building permits indicated a beginning to this movement and more recent advices show that permits are now being issued to a much greater value than a year ago.

A factor in the present situation, not without its favorable effect on the business of the country, is the rise in New York funds. While the rate has held pretty steadily around 2 per cent. for many months past, any further advance acts as just that much greater check on imports, while it stimulates exports. This tends to make the country more self-contained and brings business to home industries that would otherwise go to United States industries. In some respects the high rate may work a hardship, but from the productive standpoint it is undoubtedly a benefit.

Investment buying of bonds and the higher class stocks continues in fairly good volume, though a slight lull has been noticeable this week. Prices are firm, with no indication of any weakening, except in exceptional cases. It is a period of marking-time and is preliminary to a further upward movement as political and business conditions become more settled.

WHERE CAPITAL TO COME FROM? —ADAM SHORTT

Continued from page 1

a consideration of what improvements may be possible. The first method is inevitably tedious and not certain to be very profitable, since it involves an attempt to discuss a perfect babel of voices, from that of the Bolshevist who cheerfully distributes blank forms undertaking to deliver the millennium according to details to be filled in by each applicant who will sign up under his leadership to that of the "good old time" pessimist who detects the seeds of ruin in every proposed change, but hopes that he may crash. It is useless to attempt to demonstrate the defects and inadequacies of many of these theories, especially as few of the most inadequate and unreasonable of them will consent to die even when the brains are out. The method of an analysis of the essential features of actual economic conditions is likely to be much more effective and more within the bounds of time and space.

Origin and Growth of Capital

On this basis a rapid survey was made of the origin and growth of capital, showing that, like ordinary wealth, it is a product of labor and nature. But physical labor itself is blind and therefore futile. To be efficient in producing needful supplies, labor must be directed by intelligence, out the intelligence and the labor need not be completely or always combined in one individual. Physical labor, however, requires the presence of the laborer at the place of industry, while the intelligence of direction and management does not require its constant presence at the place of industry. This important difference makes possible the direction of many laborers by the skill and knowledge of one person.

It was also shown that the field of capital is much wider than the field of goods for the supply of daily wants. The most highly organized steel plant in the world contains nothing which is suited to the direct supply of a single human want, except, perhaps, rudimentary shelter, such as a cave might furnish. Yet such a plant, under our present social organization, is indispensable as an indirect means to the satisfaction of practically all our civilized wants, whether the elementary animal needs of food, clothing and shelter, or the special human wants based on the higher senses and our intellectual and moral nature. Thus it follows that while labor and nature alone can provide a somewhat precarious daily supply of wants, it is capital which liberates man from a hand-to-mouth existence and permits of an indefinite expansion in both the quantity and quality of the means of life.

Again, capital, it was pointed out, is the product of saving, or deferred consumption, involving the diversion of wealth from immediate consumption on the part of the owner to a preparation for still greater production, rendering possible a more extensive supply of wants in future. In order to realize, however, the great possibilities of capital in increasing the efficiency of labor in production many secondary factors are introduced and come to be indispensable. Among these are transportation, exchange, industrial organization on a large scale, and the co-operation of many individuals of different capacities and qualities in the production of single articles or the rendering of frequent services. Some of these important factors such as transportation and exchange may serve many industries at the same time and thus come to be of themselves highly important combinations of capital, labor, and specialized intelligence.

Question of Interest

Probably the most subtle of these factors, or at least that which appears most mysterious to the ordinary citizen, and which, in consequence, he most mistrusts and attacks, is that of financial credit and exchange. This is "the money interest" with which he has come to most specifically identify capitalism to the misfortune of the latter in its attempts to come to a good standing with labor. It was pointed out that the central or pivotal element in all this mechanism of exchange is simply a postponed or deferred right-to-receive goods or services in exchange for other goods or services. One individual sells goods or services to another, but instead of immediately taking other goods in exchange he accepts a statement that he is entitled to receive any goods or services which are on the market up to the exchange value of the goods with which he parts. Once the break is made the complement of this process is also possible, namely, the paying for goods before they are received or even before they are produced. This becomes quite general in the advances of credit to aid production. Of course it required a long time to work up this system from the earliest articles used as money to our present elaborate systems of banking and exchange with insurance, trust, and loan companies, stock exchanges, etc., whose development has been made possible through this device. In that process of development many special usages have taken shape and many laws have been passed defining, limiting, and safeguarding the powers and obligations involved, yet the system in its practical operation depends chiefly on the high standards of business honor and integrity of various individuals and institutions.

*An address before the annual meeting of the Dominion Mortgage and Investments Association.

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Merritt Oil Corp. will declare an initial dividend shortly, according to the present plans of the directors. The position of the company has been considerably strengthened as a result of the recent financing through the sale of 240,000 shares of stock, the greater part of which was taken by the Midwest Refining Co.

★STEFANSSON'S

OWN STORY *of his*

FIVE YEARS *in the* ARCTIC

Over five years ago Vilhjalmur Stefansson, the famous Arctic explorer, was commissioned by the Canadian Government to lead a party into the uncharted space that extended from the north-westerly boundaries of Canada on to the North Pole. Shortly after the party got away the news came back to civilization that Stefansson and some of his party had drifted out into the Arctic seas on an island of ice and they were given up as lost. But Stefansson came back, safe and sound after four years of amazing adventures, during the course of which he made many discoveries of scientific and geographical value. Mr. Stefansson has written his story of this wonderful journey and exclusive Canadian rights have been, purchased by MACLEAN'S MAGAZINE. It starts in the April issue and will continue for six months. It is a thrilling narrative—unquestionably the most important Canadian story of the year.

★ **Stefansson's story will be published exclusively in Canada in MACLEAN'S. The series of articles by him, now appearing in American and Canadian newspapers, refer entirely to his experiences on previous explorations and do not deal with the journey that he undertook for the Dominion of Canada and completed last year.**

Other Outstanding Features of April MacLean's

"Imperial Relations Must be Worked Out," by Viscount Bryce. An important announcement on the future construction of the British Empire.

"Reconstruction in Turkey," by Stephen Leacock. A humorous article on the present condition of things in Turkey as seen by Canada's great humorist, and applied to Canadian conditions.

"Bulldog Carney," by W. A. Fraser. A splendid novelette of the Canadian West, complete in this issue. Illustrated by Charles L. Wrenn.

"Opening the New Book," by J. K. Munro. An article on the situation at Ottawa created by the new Liberal leadership—smashing, impartial, fearless.

"The Sun Gazer," by Charles G. D. Roberts. A remarkable animal story. Illustrated by Artheur Heming.

"Canada's Fishmonger General," by Thomas M. Fraser. An article on a young Canadian who put Canadian fish on the diet of the British armies by a series of Barnum and Bailey advertising stunts.

"Bombing the Boche," by Lieut. J. Vernon Mackenzie. The second of the two articles that Mr. Mackenzie has written on the whirlwind campaign of raid reprisals which so frightened all Germany.

"The Transformation," by Frederic S. Isham. Illustrated by Hanson Booth. The second instalment of this sparkling new serial.

"Man and Wife," by C. W. Stephens. Illustrated by R. M. Brinkerhoff. The first instalment of a three part story of Canadian life by a new Canadian writer—a delightful love story with a background of business intrigue.

The Review of Reviews

The best articles from all publications the world over are selected and condensed for this department. Some of the articles in the April number are:

The Man Behind Bolshevism.
Could German Fleet have been Destroyed.
The Secret Plans of the Allied Command.
Too Much Wilson.
Is the ex-Kaiser Haunted?
Next Government Will be Labor.
New Life of Deposed Princess.
A New Kind of Socialism.
Are We Communicating With Mars?
The Cohort of the Damned.
Has War Wiped Out Disease?
The Red Terror in Russia
The Sultan Takes Hold.
Some Tricks of the Mediums.

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